

# *The* **NATIONAL** **UNDERWRITER** *Life Insurance Edition*

## *This is a dotted line*



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Dotted lines frighten lots of salesmen. They freeze up like a green prima donna on high C.

But dotted lines don't worry Franklin representatives. They are too accustomed to saying to eager prospects, "Put your Benjamin Franklin right there,"—and having the prospects do it.

Of course there are reasons why Franklin representatives are not bothered by "dotted-line-itis." When you know that the prospect is more likely to say "yes" than "no" there's no sense in developing a parched throat. And our famed exclusive contracts, which the public has shown such a hankering for, have accustomed them to the frequent "yes."

Now, three new exclusive Family Income Plans have been added to our kit of tools. Tailored for every income group, they offer \$200 per month for 20 years, plus \$5,000 in cash at the end of the twenty year period.

Typical reaction is that of Representative F. J. Hartzke who said, "I just sold my first Family Income Protector. I've talked to this man since last July. Today I saw him again. He wasn't interested until I brought out the new Family Income Kit. Within 30 minutes I had his application and his money."

Dotted lines? Our representatives love them!



*The Friendly*  
**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

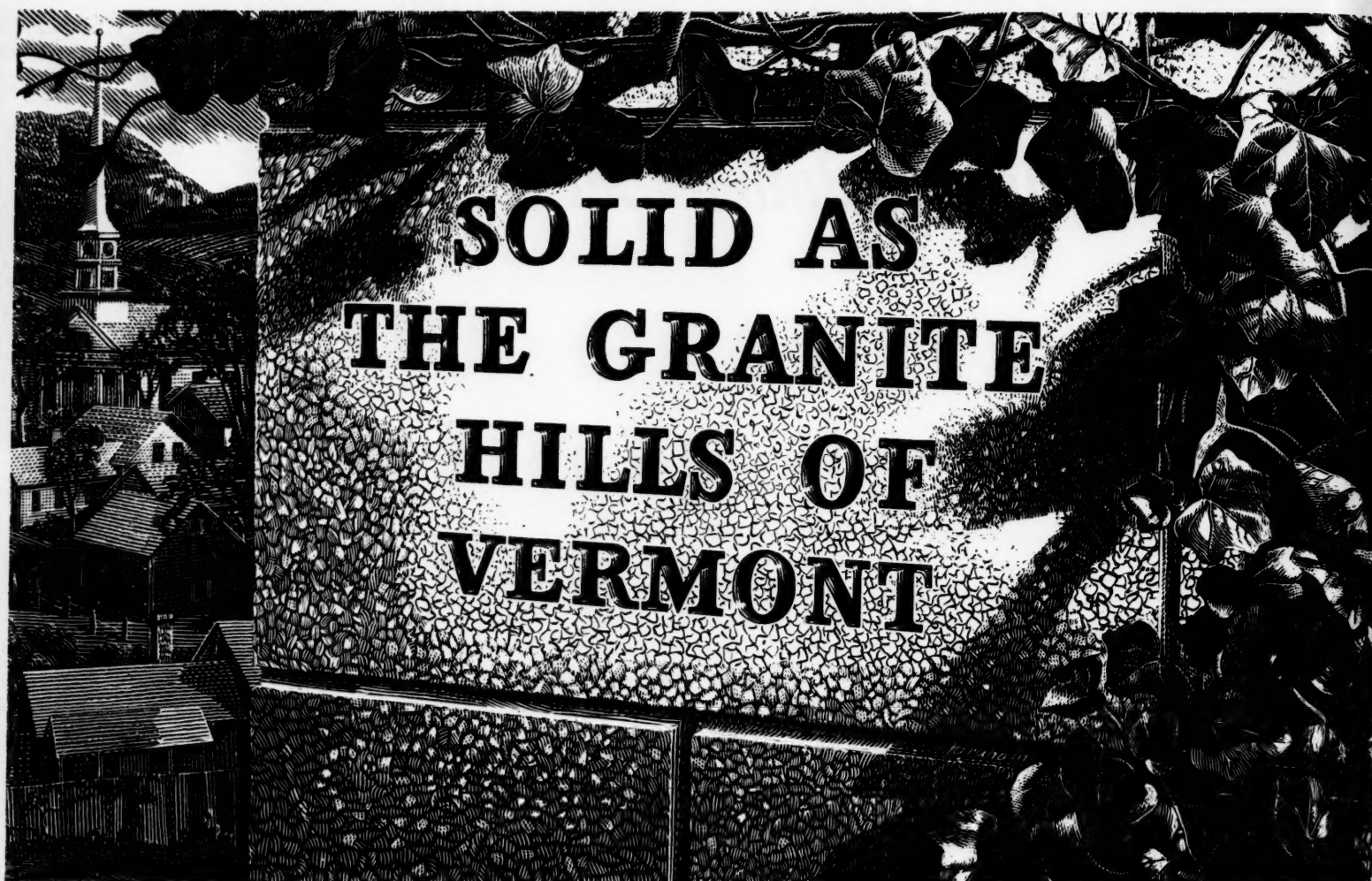
SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*One of the 15 Oldest Stock Legal Reserve Life Companies in America*

*Over \$750,000,000.00 insurance in force.*

**FRIDAY, DECEMBER 2, 1949**



**NATIONAL LIFE** INSURANCE COMPANY

HOME OFFICE **VERMONT**  
MONTPELIER

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## All Parties Agree to Wait a Year for Section 213 Revision

**Agents, Companies, N. Y.  
Department Feel More  
Study Is Needed**

Agents, companies, the New York department, and the joint legislative committee on insurance rates and regulation agreed that revision of section 213 of the New York insurance law should be postponed until the 1951 legislative session at the first hearing of the committee headed by Senator Condon.

James A. McLain, president Guardian Life, and chairman of the joint Life Insurance Assn. of America and American Life Convention committee studying proposals for a revision of the statute, said he was confident that his committee by that time would have reached decisions on which a revision could be based. Gordon D. McKinney, actuary National Assn. of Life Underwriters, and Superintendent Dineen were the other witnesses.

### Working for a Year

Reporting that his committee has been working for a year on the revision, Mr. McLain said that its efforts have been aimed at simplifying the law, and removing its inconsistencies, weaknesses and inequities. His committee has not considered the problems of any one company, he said, and although many minor problems have been studied its attention has been focused on agents' compensation, including security benefits, agency managers' compensation, agency expenses, total company expenses and problems peculiar to small companies.

The committee, he said, does not want to increase the cost of insurance to the public but is trying to cure the effect of inflation on the present law to see that the agent is fairly compensated for his services and to develop expense limits which will be fair to large and small companies and to different types of agencies. The importance of the law to the business and to policyholders precludes anything less than a thorough study resulting in sound recommendations, he concluded.

### Reports on N.A.L.U. Study

The background of the N.A.L.U. study of the law was reported by Mr. McKinney, who stressed that the complexities of the statute could and should be held to a minimum. He described the controls as a set of concentric circles starting with the contract control at the inside and proceeding outward to the inside and outside agency expense limit, all surrounded by the total company expense limit.

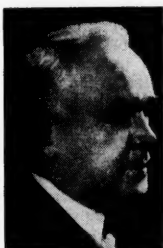
"The result," he said, "is a series of dual, combination, and overlapping controls which makes it difficult if not impossible from a practical viewpoint, for a company actuary or the insurance department to state in advance the maximum which can be paid to agents without violating the law. We frankly ask, if this is the case, how can agents be expected to understand the provisions of the law applicable to them?"

He suggested that the dual controls be replaced with one single contract

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## Parkinson Attacks Retroactive Tax on Life Companies on Constitutional Grounds

President Thomas I. Parkinson of Equitable Society, who was a professor of constitutional law at Columbia University before going to the Equitable home office, has come out with a vigorous statement denouncing the proposal of the House ways and means committee to place a retroactive income tax on the 1947, 1948 and 1949 business of the life companies.



T. I. Parkinson

"The books of the life companies for all three years will have been closed by the time Congress gets around to the proposed new law," he states. "Dividends will have been determined and, in most cases paid out. The reserves and other factors of a life company's accounts will have been determined and set up, and surplus will have been set aside."

Mr. Parkinson stresses the point that what was "income" in 1947 and 1948 especially, will have become "property," and when income becomes property, taxes cannot, under constitutional provisions, be levied on that property unless they are apportioned among the states in accordance with population.

### Prohibited by Constitution

"That is the direct prohibition of our constitution, relieved only by the thirteenth amendment, which permits income taxes to be levied without apportionment," he points out. "But the amendment refers only to 'income taxes' and, as we have just said, when income passes into the general property of the taxpayer, it is no longer income and it cannot be taxed except by apportionment. At least this is what we have come to believe was the meaning and effect of our constitutional provisions relating to taxation."

Conceding that life companies haven't paid much income tax in the last few years, Mr. Parkinson blames the monetary policies of the Treasury, which have so decreased interest rates that the life companies had no taxable income.

"To suggest that because the existing laws did not obtain sufficient taxes from the life companies during the past few years those laws should now be changed, not only for the future but for the last three years, is simply adding insult to injury—insult and injury not to the companies but to their policyholders," Mr. Parkinson says. "That is retroactive taxation. It is certainly unreasonable, without precedent and probably invalid."

### Quotes Chief Justice Stone

Mr. Parkinson quotes as significant a statement by the late Chief Justice Stone that "in the entire 140 years of history, the only taxes held condemned by the fifth amendment were those deemed to be arbitrarily retroactive."

Saying that what is proposed "ought to be a shock to all taxpayers," Mr. Parkinson points out that if life insurance can be taxed now on the business results of 1947, so can the automobile companies, or for that matter, what is to prevent an excess profits tax on all corporations for 1947 and 1948 because that tax was not levied in those years and the Treasury needs the money.

The 1918 revenue law has been cited as a precedent for retroactive taxation, but Mr. Parkinson states that there has

never been an occasion when income taxes have been increased for any year after the time when the taxes for that year were payable under the laws existing during that year. There have been occasions when the tax committees of Congress have inserted in tax legislation while it was being debated in Congress provisions that a tax levied would go back to the time when the bill levying the tax was first introduced into Congress, and there have been many other occasions when the tax levied went back to the beginning of the year in which the law was enacted.

### Helped Draft 1918 Bill

Mr. Parkinson was in a good position to know about the 1918 revenue law, for he participated in drafting the bill. It provided that its tax provisions should cover all income from Jan. 1, 1918, even though the bill was not actually enacted until February, 1919. What seemed to be retroactive taxing was justified at the time on the ground that taxpayers did not make their returns and pay their taxes for 1918 until March 15, 1919. Therefore, the tax enacted in the middle of February simply replaced, for reporting and fixing income taxes for 1918, the law which had been previously in force. It did not go back of return days and payment dates and require a reopening of accounts and increases in the tax payable.

## "Fortune" Publisher, Dr. Nadler on Life Institute Program

C. D. Jackson, publisher of "Fortune" magazine, and Dr. Marcus Nadler, professor of banking and finance at New York University, will be speakers at the annual meeting of the Institute of Life Insurance, at the Waldorf-Astoria hotel, New York City, Dec. 16.

"The Public Relations of Survival" will be Mr. Jackson's subject.

Dr. Nadler will speak on "Some Prospects for 1950" and then will conduct a question period on the outlook for the year ahead in business and finance.

The institute's annual report to members at this year's meeting will take the form of brief divisional reports, based largely on case history accounts of how the organization has reached the many segments of the public. "Life Insurance Is an Open Book" is the keynote of the meeting. The annual luncheon will mark the close of the speaking program and in the afternoon the business meeting will be held.

## Commemorative Book on O. J. Arnold Is Issued

Copies of a handsome 80-page commemorative book dedicated to the memory of O. J. Arnold, late president and chairman of Northwestern National, have been distributed by the company.

The plastic-bound volume was presented to leading members of the field force and to members of the home office Old Guard, as well as to a substantial number of Mr. Arnold's long-time acquaintances outside the company. The blue-and-gold covered book has no title other than the handwritten initials OJA, since it is dedicated to remembrance of the many noteworthy projects in and out of the life insurance world which were initiated over the initials of Mr. Arnold, who died June 14.

## Celler Seeks Life Probe; Insurance Witnesses on Stand

**Denies Federal Control  
Bias But Wants to  
Learn If It's Needed**

By H. C. HALLAM

WASHINGTON—Rep. Celler, chairman of the House judiciary committee, says he will press for passage at the next session of Congress of his joint resolution for a congressional investigation of the life insurance business. Reminded that the resolution, sponsored also by Senator McCarran, seemed "pretty dead" in the Senate, Celler indicated that he would nevertheless try to get favorable House action on such an investigatory proposal.

"Investigation of the insurance industry cannot be stopped," said Mr. Celler. "If it is not authorized by this Congress, then it will be by next Congress."

He indicated his opinion that such a concentration of industrial power is bound to be investigated, sooner or later. Whether such investigation would be followed by federal regulation of the insurance industry, he did not predict.

### Denies Federal Control Bias

However, Mr. Celler did deny that he had declared that "without question the insurance industry now needs federal regulation—it has grown too big for state control." He stated that the purpose of the proposed investigation would be to determine whether there should be federal regulation, but pointed out that legislation on that subject would not come under jurisdiction of the judiciary committee, but rather of the House committee on interstate and foreign commerce.

"I have said that we should consider the situation with respect to the insurance industry, as part of our study of problems of big business and concentration of economic power," Celler stated.

It has been touched upon in testimony of a number of witnesses at hearings before the Celler judiciary subcommittee studying monopoly and the anti-trust laws.

Testimony of eight or nine insurance executives was scheduled at hearings before the subcommittee this week. First of these was George W. Steinman, president Midland Mutual, on Monday.

### Schram Mentions Insurers

On that day testimony of Emil Schram, president, New York Stock Exchange, was highlighted by references to life company investments. In the course of his general statement Mr. Schram said:

"Whether life insurance companies should be permitted to buy common stocks more extensively is a controversial topic. I know there is a great divergence of opinion among life insurance company executives who have studied the problem. Investment in common stocks would be a drastic change and is not a step to be taken lightly."

During questioning of Mr. Schram by committee members, Chairman Celler

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## Smith Honored on 20 Years as Head of New England Mutual

BOSTON—George Willard Smith was honored by New England Mutual directors on his 20th anniversary as president at a dinner attended by 1,000 members of the home office staff and representatives of the field organization. George Olmsted, president of S. D. Warren Co., a New England Mutual director, was toastmaster. R. G. Dodge, prominent Boston attorney, spoke for the directors, and touched on Mr. Smith's record as president. During that time the company's insurance in force more than doubled, its surplus tripled and its assets quadrupled.



G. W. Smith

A. P. Everts, Boston investment man, spoke for the policyholders. He is a long-time personal friend of Mr. Smith.

Benjamin W. Davis, Richmond, Va., president of the general agents association, spoke for that group, while G. Nolan Bearden, Los Angeles, president of the New England Leaders Assn., spoke for the producers.

A. E. Kelleher of the policy loan department, who joined the company about 45 years ago along with Mr. Smith, spoke for the home office staff. Assisted by Eileen Breivogel of the premium collection department, he gave Mrs. Smith a recent pencil portrait of her husband done by Marie Meagher, art director of the "Pilot's Log," company publication, and then presented to Mr. Smith a large memory book signed by all at the home office in token of their affection and esteem. This book, entitled "Twenty Fruitful Years," chronicled Mr. Smith's activities throughout his administration, including his receiving an honorary LL.D. degree from Bucknell University in 1944 and being president of Life Insurance Assn. of America in 1946.

There were two head tables, and guests seated at them included agents who had been top producers in each of the last 20 years and 10 other field men who represented 10 geographical sections.

At a luncheon on the same day, Mr. Smith announced a number of changes and liberalizations in company rules and contracts. These are summarized elsewhere in this issue.

## Jackson Added to L.I.A.M.A. Staff

Lawrence W. Jackson, who resigned recently as executive secretary of the Pennsylvania Assn. of Life Underwriters, has been taken on as consultant in the Life Insurance Agency Management Assn. company relations division. Mr. Jackson will report to Hartford, Jan. 1. His job includes teaching at the schools in agency management and consultation work with member companies.

Following graduation from Tarkio College in Missouri, Mr. Jackson was with State Mutual in Pittsburgh for five years. During the war, he served with the Red Cross.

Mr. Jackson then joined the Pennsylvania association, which has attained its largest membership under his guidance.

The Society of Life Office Management Assn. Graduates met in Newark and saw several educational and documentary films.

## Meaty Fare for A.&H. Men at Chicago Sales Congress

Presentations of how they sell A. & H. insurance by three master salesmen, a first-hand picture of the British health insurance system by an English doctor who could not stand for its exactions and came to this country to get away from it, and an exhortation of the "smug disinterest" in this country in regard to the menace which faces it, coupled with a plea to do something about it other than pass resolutions, combined to make the program for the sales congress of the Chicago Accident & Health Association Tuesday one of unusual interest and appeal.

Dr. Ralph J. Gampel, voluntary exile from Britain's socialized medical system, talked at the luncheon and attracted a crowd which filled the grand ballroom of the Hotel La Salle to capacity. He is a very forceful speaker, with plenty of humor to lighten the serious message he had to convey.

### Repetition and Reputation

Alfred K. Perego, Milwaukee general agent of Wisconsin National Life, who opened the afternoon session with his talk on "Building A. & H. Premium Income," stressed particularly the two R's—repetition and reputation. By repetition he means using any means of motivation, such as a good claim story in a way that it will help show the greatest possible number of people their need for protection.

He made a decided hit with a sales plan which he said works particularly well in a combination company like his own, selling both life and accident-health, with agents writing mainly life, who have been reluctant to sell A. & H. It consists of propounding three questions to the prospect. They are: "How

long has it been since any insurance man talked to you about accident and health insurance?" "Did you buy?" "Why?"

Henry C. Doehne, Chicago general agent of the intermediate A. & H. division of Continental Casualty, stressed the imperative need for income protection. He said the average man can't afford to miss even one pay check, let alone the second one. He emphasizes to prospects what the insurance he is offering will do if their income stops. He used to write considerable life insurance but is now devoting himself entirely to accident and health because he knows that without income protection the prospect couldn't even pay his life insurance premium in the event of a prolonged disability.

### Takes Barnum as Model

Sidney Fields, "pavement pounder" for Massachusetts Indemnity at Cleveland, who is chairman of the Leading Producers Round Table, speaking on what "What Makes a Leading Producer," gave an exposition of the often unorthodox methods that he uses, which went over very strong with his audience. His talk was built around several rules of business propounded by P. T. Barnum, whom he characterized as the world's greatest salesman.

### Luncheon for J. T. Wilver

In recognition of his promotion to assistant manager of agencies at the home office of Provident Mutual Life, John T. Wilver was tendered a luncheon by his associates of the Alexander F. Gillis agency at Newark, where he was assistant to the general agent. He was presented a traveling bag.

## Dividend No Bonus, VA Argues as Press Bares True Status

In an attempt to show that the \$2.8 billion special dividend under National Service life insurance is not a "bonus" or "Treasury grab," Veterans Administrator Gray recently made a statement which appeared as a signed editorial in the Wichita "Beacon" and which VA later sent out as a press release.

Mr. Gray says that "much misinformation concerning these dividend payments has been circulated," and that it has been contended that the payments are not earned dividends at all but in reality just a government hand-out. Nothing could be further from the truth, he argues.

He goes on to say that NSLI is established by law as mutual insurance, which means that any excess funds which accrue from its operations must be shared proportionately by the policyholders and returned to them. He concedes that the government assumes the cost of administration of NSLI (but offers no estimate of it) and that it takes care of service-connected deaths and disabilities. He says that claims arising from non-military deaths are paid from premiums and that the real reason why a surplus of \$2.8 billion is available for dividends is that there have been "substantially fewer non-military deaths among NSLI policyholders than was anticipated by the mortality table upon which the premium rates were based."

Gray didn't say whom he had in mind as defamers of the NSLI dividend. Life insurance men have had fairly frequent occasion to explain why life companies cannot pay dividends as high as those on NSLI and have pointed out the subsidies which NSLI enjoys. While some of them may have referred to the dividend as a bonus, which, in effect, it very largely is, they have generally made it clear that the actual bonus or subsidy is the taxpayers' contributions to costs of NSLI operation, loss of taxes, payment of death and disability claims not genuinely service-connected, and interest on special high-rate government bonds available only to NSLI. While payment of bona-fide service-connected claims is of course a subsidy, life insurance people, along with virtually everyone else, consider this to be an entirely legitimate and proper one.

### GETS STREAMER HEAD

CINCINNATI—The Cincinnati "Enquirer" carried an eight-column streamer head on a front-page story on a statement by President Judd C. Benson of National Assn. of Life Underwriters which pointed out that the NSLI dividend results from federal subsidies.

Mr. Benson, who is manager for Union Central at Cincinnati, called attention to the various subsidies which NSLI enjoys and mentioned that taxpayers have paid 87% of all NSLI claims by number and 83% by dollar volume.

Mr. Benson used as a basis for his statements the analysis made by Actuary Gordon D. McKinney of N.A.L.U., which was summarized in last week's issue of THE NATIONAL UNDERWRITER.

### GOOD PLAY IN DENVER

DENVER—The Denver "Post" ran a three-column headline over the account of a talk by Wilfrid E. Jones, publications director of N.A.L.U., in which he spoke before the Denver Life Underwriters Assn. on the subsidies in the NSLI dividend. Mr. Jones termed the dividend "bribery with our own money."

"By returning to some taxpayers some of their own money, the administration is attempting to give the public the impression that they are getting something for nothing," he said.



## NEED OR WANT?

Once upon a time an inventor invented a gadget which millions needed. From his invention the inventor earned a living.

Then, there was another inventor who produced another gadget which millions wanted, and he made a fortune overnight.

Our product, life insurance, is indisputably something every person needs. But, if the career underwriter would attain the greatest success in the business he must turn a recognized need into a want.

And he can do this by presenting his story in terms of security, education, saved homes, comfortable old age, rather than in terms of policies, endowments, riders, etc.

Sell life insurance in terms of what your prospect wants and you will sell more life insurance!

Insurance In Force—November 1, 1949—\$429,129,115

**COMMONWEALTH**  
LIFE INSURANCE COMPANY  
LOUISVILLE



## Sees Voluntary Plans Meeting Hospital Needs

**Columbia U. Study in N. Y. Predicts 85% Cover; Asks Improvements**

NEW YORK—Eventual enrollment of 85% of the population of New York state is an appropriate target for voluntary insurance, Dr. Eli Ginzberg, associate professor of economics in the graduate school of business at Columbia University, concludes in "A Pattern for Hospital Care," the final report of a study of state hospitalization made under Dr. Ginzberg's direction and published by the Columbia University Press in 368 pages. The study is thorough and authoritative, and insurance observers regard it as strong testimony for private, as opposed to government, provision for hospital care.

Only 15% of the population need be provided for by government and charity, the book states. Eighty-five is the percentage of the population which Oscar Ewing, social security administrator, contends that federal health insurance will reach and serve.

### Status as of 1948 End

At the end of 1948 membership of Blue Cross plans in New York state totalled 5,200,000 or 36% of the population, and is experiencing rapid growth; 1,950,000 individuals were covered by group insurance contracts; 800,000 were covered under individual contracts with commercial companies, and another 450,000 received hospitalization benefits under other schemes. In total, the insured population in New York state reached 8,400,000. (In the country as a whole, the ratio of insurance to Blue Cross is about 40-60, whereas in New York it is roughly 25-75, and country-wide private insurance as contrasted with Blue Cross has been growing at a rate at least equal to that of the Blue Cross.)

Nothing in the study, the first detailed report in recent years on costs and income structure of hospitals, justifies a compulsory system for any of the "richer states" like New York, according to Dr. Ginzberg. Blue Cross and commercial insurance can meet the cost of general hospitalization, which is the most expensive part of medical care. About 50% of the entire population of New York state has some form of pre-paid hospital coverage. The study, which required 15 months to make, was the result of a contract between Columbia University and the joint hospital survey and planning commission of New York state.

### Improvements Are Needed

However, he said, improvements are needed in both Blue Cross-Blue Shield and commercial insurance. He recommends these voluntary health insurance plans expand to cover diagnostic and ambulatory services.

Though Blue Shield plans covered only 1,500,000 at the end of 1948, they are growing rapidly. He states these plans are not satisfactory because physicians' fees frequently are considerably more than the cash benefits. He recommends higher income ceiling for individuals entitled to service benefits. Blue Cross needs to provide a larger number of days of full coverage for persons with an exceptional illness. Instead of the conventional 21 days of full cover, he favors a 90 day maximum. He suggested less timidity on the part of the Blue Cross plans in seeking

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## UPSETS 30% RULE

## Tax Court Removes Contribution Limit on Owners' Pensions

WASHINGTON—The tax court in the Volckening case has upset the internal revenue bureau ruling that a pension plan calling for 30% or more of the employer's contribution to be applied to employees owning 10% or more of the corporation's stock does not qualify as an approved plan under section 165 (a) of the revenue code.

The case involved a corporation in which a man and his wife owned all the stock. Sixty percent of the contribution was to be applied to their pensions. The tax court decision indicated that there is no limit on the percentage of contributions that may be applied to stockholders, no matter how much of the stock they may own.

This ruling of the bureau was a stumbling block in a number of prospective pension cases, especially among small corporations with stock held by one or a few stockholders. While there is a possibility that Congress might nullify the tax court's action in the new revenue bill, it is also quite likely that the decision will not stir up any great amount of opposition in Congress since it benefits mainly small business men who, as a class, stand well with Congressmen.

## Honors Atlanta Agency

Mutual Savings Life of Alabama honored E. C. Thomas, manager at Atlanta, at a banquet in recognition of the success of the new agency. Melvin Huston, president; R. C. Collier, vice-president, and Robert Hutson, secretary, represented the home office. Commissioner Cravey also attended.

## McAndless Feted on 30th Anniversary with Lincoln Nat'l

President A. J. McAndless of Lincoln National was honored by executive officers and directors

at a testimonial dinner Thursday in recognition of his 30th anniversary with the company. He was presented a gift by his associates. Vice-president Cecil F. Cross presided and also presented to Mr. McAndless a beautifully bound book containing about 200 congratulatory letters from company representatives and leading life insurance executives.

Mr. McAndless is recognized as one of the outstanding leaders in the life insurance business. He was president of the American Life Convention in 1942 and is currently chairman of the joint committee of the American Life Convention and the Life Insurance Assn. of America on federal income taxation of life companies. He is also a member of the actuarial advisory committee of the veterans' administration insurance bureau. A fellow of the Society of Actuaries, he has long been active in actuarial affairs. He is a past president of the American Institute of Actuaries.

Mr. McAndless joined Lincoln National as assistant secretary. He became a director in 1924 and president in 1939.

The general agents and managers of Oakland at a dinner meeting heard Hugh W. Davy, Home Life, describe "The New Concept of Selling."



A. J. McAndless

## Stimulating Card for Insurance Teachers Parley

**Forums Slated on Four Timely Subjects—Randall Banquet Speaker**

NEW YORK—The annual meeting of American Assn. of University Teachers of Insurance will be held at the Biltmore Hotel here Dec. 27-28. Frank Lang, manager of the research department of Assn. of Casualty & Surety Companies, is general chairman.

Jesse W. Randall, president of Travelers, will be the featured speaker at the banquet Dec. 27. "Insurance — The American Way" is his topic.

The program will consist of four forum meetings devoted to topics of interest to insurance executives, producers, educators and students of the business. The two morning forums will discuss "Statistics in Insurance" and "University and Company Educational Programs," and the afternoon forums, "New Developments in Employee Disability Programs" and "Mortgage Financing." A panel of experts will lead the discussions at each session.

A large attendance of company and agency executives and educators is anticipated at the banquet. Requests for reservations should be directed to Woodhull Hay, Weekly Underwriter, 116 John Street, New York. Individual tickets for the banquet are \$8.50, and tables seating 10 persons may be reserved for \$80.

## Allied Organizations

This meeting is being held in conjunction with the annual meetings of 14 allied social science organizations, including American Economic Assn. and American Statistical Assn.

The first session the morning of Dec. 27 will be a joint meeting with American Statistical Assn. Chairman will be Raymond Killion, assistant vice-president of Metropolitan Life and the topic is "Statistics in Insurance". Speakers are Thomas O. Carlson, actuary National Bureau of Casualty Underwriters; Mark Kormes, consulting actuary of New York, and Gordon Streeter, assistant actuary of Aetna Life. Discussants are Arthur L. Bailey, chief casualty actuary of the New York department and William R. Williamson, the Wyatt Co., Washington.

That afternoon the chairman will be Prof. C. Arthur Kulp of University of Pennsylvania, and the topic "New Developments in Employee Disability Programs".

The panel consists of Wilbur Cohen, assistant to chairman, federal security agency, Social Security Board, Washington; T. Y. Beams, vice president Royal Indemnity; Harry Becker, director social insurance, United Automobile Workers, Detroit; William R. Williamson, and Frank Walsh, director of group insurance relations, Prudential.

The next morning the chairman will be Laurence J. Ackerman, dean University of Connecticut and the topic is "The University Teacher Looks at the Company Educational Programs and the Company Executive Looks at University Programs".

The speakers are Prof. Hampton H. Irwin, Wayne University, Detroit; Dr. Clyde M. Kahler, commerce school University of Pennsylvania; L. Ray Ringer, educational director, Aetna Fire; Clarence B. Metzger, Equitable Society, New York, and discussant is Laurence

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## The Three Mortgages

Carl E. Patterson, of our Crain Agency in Atlanta:

"One evening I had worked late and everyone in the office had gone home. A gentleman appeared at the door and asked if I was with the company. I found that he was a policyowner and his record was in another city.

"Since he was a government employee now employed here, he wanted to transfer his policy record here. After he had signed a transfer letter, I asked how much insurance he had. It was not really sufficient, since he had two children. However, having been a personnel director in civil service, I realized that his compensation was not enough, along with the cost of bringing up two children, to warrant additional insurance premiums.

"It was a hot day so we went out together to have a soft drink. Over the cracked ice he mentioned that he had inherited three mortgages from his father. He said that he believed in insurance and his father had had practically none. Clean-up expenses at the father's death had placed a heavy financial burden on the son. I found that the three mortgages had 19 years to run, netting the policyowner an annual income of \$1,300.

"I secured an application for \$30,000 on the Twenty Payment Life plan, with an annual premium of \$1,310.40 per year."

• • •

## THE PENN MUTUAL LIFE INSURANCE CO.

MALCOM ADAM  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Says Limit Nearly Reached on Lease Back Deal Capacity

Life companies' buying of large industrial plants and other real estate for lease-back to the former owners has about reached its limit, according to Henry Fisher, chief field appraiser of Equitable Society's city mortgage department. At a recent meeting of the Society of Industrial Realtors in Chicago he said that Equitable had almost reached the 3% limit of admitted assets that life companies are authorized to invest in direct ownership of real estate and there is reason to believe that funds of most other major companies are also nearly exhausted.

Mr. Fisher said that multiple-story buildings in many cities are becoming less attractive for mortgage purposes because today's manufacturing processes are shifting to one-story operations. Equitable will still make loans on multiple-story buildings in cities where they are a necessity, but definitely prefers the single-story plant. He said Equitable pays little attention to lavish executive offices or brick facings of industrial plants but does take into consideration

improved accommodations for the labor force, which improve personnel relations, and the general stability and credit of the company obtaining the loan.

## Chris Gough Is Not Retiring Jan. 1

THE NATIONAL UNDERWRITER apologizes to Chris Gough, acting insurance commissioner of New Jersey, for the statement in the article in the Nov. 18 edition that he is planning to retire from state service Jan. 1. The article stated that Gov. Alfred Driscoll, who had just been reelected, was expected soon to name a new insurance commissioner and that "it is a well-known fact" that Mr. Gough plans to retire about Jan. 1. There is no basis for such a statement. Mr. Gough states that while he expects in the not too distant future to retire, no plan or intention to do so on the first of January has even been thought of. Mr. Gough has been since last Jan. 5, the acting commissioner at the pleasure of Gov. Driscoll. Mr. Gough expresses the hope that this situation will continue until the governor sees fit to make an appointment and when he does, Mr. Gough will still be deputy at the pleasure of the new commissioner "or otherwise at my own."

## Three Agency Heads Placed by Equiowa

Equitable Life of Iowa has designated William H. Drews, Jr., general agent at Rochester, N. Y.; Jean P. Chapman general agent of a new outlet at Eau Claire, and Harry M. Pasley general agent at Fresno.

Mr. Drews has for two years represented Mutual Benefit Life in Rochester. Prior to that he was with the veterans administration in Rochester and Buffalo. He served in the navy. He is a graduate of Colgate and did graduate work at the Rochester and Buffalo universities. He was formerly high school principal at Ontario, N. Y. The appointment of Mr. Chapman at Eau Claire marks the second Wisconsin agency to be established since the com-



W. H. Drews, Jr.



H. M. Pasley



J. P. Chapman

pany entered the state in 1947. Mr. Chapman has represented New York Life in Eau Claire for 14 years. After graduation from the Stout Institute, he was an instructor at the Eau Claire high school. He is a past president of the Chippewa Valley Life Underwriters Assn.

Mr. Pasley has represented Equitable of Iowa in Fresno since his army discharge in 1946. He formerly had been in the general insurance business since 1938 after attendance at the Central California Commercial College.

## By-Laws Approved by Equitable Society Agents

The Agents Assn. of Equitable Society received unanimous approval of its by-laws and constitution by about 100 agents at an organizational meeting in New York City. Hamilton E. Childs, Dunsmore agency, New York City, who is serving a six month term as president, was chairman.

The association was formed in June, 1949, and has more than 500 members in 79 of the company's 116 agencies. The organization is conducting a nationwide membership promotion campaign and reports considerable success. Mr. Childs pointed out that the organization is solely for agents and that salaried employees will not be admitted. Leaders said that they will attempt to better the status of the agent's contract, commissions, pensions and social security in a constructive manner by negotiations with the home office.

There has been some informal discussion with the Equitable Underwriters National Assn., another intra-company agents' organization whose membership centers near Chicago, which may lead to the merger of the midwestern group into the association.

## Equitable Pays \$330,000 in Wash. Air Crash Claims

Total claims on Equitable Society as the result of the Washington crash of an Eastern Air Lines plane exceeded \$330,000.

## Texas Loses \$15 Million Suit Against Companies and Appeal on Theft Charge

The \$15 million damage suit, one of the largest on record in San Antonio, Texas, brought by Homer B. Adams, insurance counselor and former home builder, against 28 San Antonians and 22 out of state corporations and associations, chiefly insurance companies, has been dismissed by Federal Judge Rice. Mr. Adams brought suit against American National and others, charging violation of the Sherman anti-trust act, and against Commissioner Butler of Texas, asking he be restrained from refusing him a license to sell life insurance. He has since unsuccessfully sought reinstatement of the suit. He was tried in the Bexar county court, on the charge of theft in connection with a check supposed to have been a down payment on a house to be constructed for a man who charged that no house was constructed. Adams was sentenced to three years in the penitentiary and has just lost an appeal.

Adams as an insurance counselor assured the public through his advertising that he could save the owners of life insurance money. He had specialized in the sale of term insurance, but for the past few years had been unable to obtain a license. He charged that the Texas law which requires that a company ask for the licensing of a life agent was a violation of constitutional rights.

## Companies Put 6 Billion in Securities, Mortgages in First 9 Months of '49

With the investment of more than \$6 billion in securities and mortgages in the first three quarters of this year, life companies increased their holdings of these types by \$2,375,000,000, according to the Institute of Life Insurance.

The new investments in securities and mortgages were one-fifth less than last year but the increase in holdings was very nearly as large. This was due to a material reduction in maturities, refundings and replacements this year. It was also a reflection of the greater investment by the life companies in channels which do not lend themselves so extensively to replacement. During the past two years over \$6 billion has been invested in mortgages, largely long term home mortgages. The direct placement bond issues are likewise not usually subject to short term replacement. The companies put \$2,906,000,000 into securities of business and industry and \$2,505,000,000 into new mortgages.

### Real Estate Holdings

With the purchase of \$49 million of real estate in the third quarter, real estate holdings increased to \$1,189,000,000.

Largest block of purchases this year was the commercial and industrial real estate acquired as an investment, these rental properties representing \$94 million of the nine month purchases with such holdings totaling \$47 million.

Rental housing acquired in the first three quarters totaled \$51 million and total holdings were \$289 million, not including that held under bond issues.

## Columbus Meet Dec. 7

Life Managers & General Agents Assn. of Columbus, O., will meet Dec. 7. Burton C. Holmes, Aetna, will speak on "Recruiting"; C. Harry Emanuelson, Massachusetts Mutual, on "Training," and Robert K. Zimmer, Penn Mutual, on "Motivation."

## Kouns Newark, O., Manager

Western & Southern has appointed William D. Kouns as manager at Newark, O. He has been with the company since 1931 in Ashland, Ky., Huntington, East Liverpool, Steubenville, Joliet, North St. Louis and the home office.



Ask your investment executive. He'll tell you that investment is a problem today, on a low interest market. That's why we think American United is in an ideal situation. Big enough (over 80 million dollars of assets—over 400 million dollars of insurance in force) to be a factor in the investment market, to take advantage of sound investment opportunities, to safely diversify its investments. Yet, we are spared the headaches of having to invest huge sums, things being what they are today. How big is big? We think American United is just the right size, about 64th in a list of over 500 insurance companies. Big enough for the advantages of bigness, small enough for the personal touch. And we never want to lose that personal touch. Agents and policyholders like it.



## AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

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## Celler Seeks Life Probe; Hold Hearing

(CONTINUED FROM PAGE 1)

asked the witness to expand upon a quoted statement by him before a commercial organization relating to life insurance companies' private placement of loans.

Mr. Schram answered that the companies "have played a very important part in financing business in the past five or six years." He added that they have had "very large growth and had to seek outlets for their funds."

"The business has been attractive to them," he stated, "and it has been very fortunate that the life companies were able to finance industry."

In reply to Celler's questions about growth of life company assets, Mr. Schram said they "run about 58 to 59 billions" and are growing at the rate of  $3\frac{1}{2}$  billion a year. Values have been creeping up in private life company investment, he added.

"Are you concerned with this size and the growth of insurance companies?" Celler inquired.

"I am not," said Mr. Schram, "but I am concerned about what is causing them to grow so rapidly. Our insurance companies will continue to grow as population and prosperity increase."

### Discuss Sale of Governments

When Celler mentioned large company investments in government bonds and inquired if there would not have been serious consequences if the federal reserve board and government had not pegged the price of the bonds the companies sold, Mr. Schram replied: "Unquestionably," but he added that "they had the right to sell their bonds" and that "they have a good deal of state supervision."

"Forty-eight supervisions," Celler suggested. "Sometimes everybody's business is nobody's business."

"It usually turns out that way," Mr. Schram admitted.

It was suggested that life companies dominate the investment picture. When Celler asked about private placement of loans with insurance companies, Mr. Schram said:

### Cites Companies' Diligence

"The companies have been very diligent trying to make loans to the better corporations. Their rates have been more attractive than government rates. The business has been attractive to them, almost necessary for them. There is a great concentration of savings in the insurance companies. We should do everything possible to keep them as sound as possible, because millions of people are dependent upon their solvency. I am an investor in insurance. I want to see the companies as sound as you can make them."

Celler immediately disclaimed any "implication" in his question adding "we are merely addressing ourselves to the problem" and that when 30% of insurance investments are placed privately "Congress should canvass the situation."

"I see no objection," said Mr. Schram, "but it should consider the cause rather than effect."

Celler asserted that "five large companies have about \$25 billion assets and there are vast private placements by these companies in and around New York (one in Newark)," and asked, "Is not that cause for alarm?"

### No Cause for Alarm

"No cause," said Mr. Schram. "There is demand for security in this country and as long as it continues you will have that problem." He added that "the direction of the flow of insurance funds will change" if the tax structure is amended along various lines he suggested.

A "stronger ownership position" with respect to securities "would be a good thing for the business. The life companies would not quarrel with that," he said.

"In the absence of taxation reforms

we must investigate the result of this situation," said Celler, adding that in private placement of natural gas transmission company securities in 1949 over \$500 million of bonds were placed with insurance companies. He suggested that if he or the witness had wished to buy some of these bonds "we would be deprived of that opportunity. Is not that depriving the investing public of the right or opportunity of purchasing a good security?" he concluded.

### PREFERS EQUITIES

Mr. Schram answered that "it would be difficult to sell such securities to the public," and added that "it would have been much better if the equity market had been such as to finance some of these companies, rather than through debt." He did not think insurance companies "are buying up all the good securities," but that banks and savings institutions are competing in that field.

Celler said two investment bankers had testified they had been willing to take some of the natural gas securities at lower rates of interest than the in-

surance companies.

Mr. Schram did not know about that, but said he would rather see the natural gas companies go to the insurance companies than to a government agency, such as the RFC.

In further examination of Mr. Schram, David Coyle, economic consultant to the subcommittee, inquired if there was any talk about the possibility of "insurance companies running out of material to put in their portfolios."

Schram answered that "with an expanding economy they would find outlets."

At the afternoon session Mr. Steinman took the stand.

### STEINMAN'S TESTIMONY

Mr. Steinman said Midland Mutual Life has nearly \$60 million assets and its average policy is \$2,200 to \$2,300. Questioned by Celler as to any difference between a small company and large company in the matter of cost, safety, etc., the witness said any difference in cost would depend upon provisions of the policy; that he could not conceive of his policies being any safer than they are if it were combined with a larger company; that his cost

might be reduced if his company joined with a large company but that no merger with any company is contemplated.

David Coyle, committee staff member, brought out that nearly all the company's investments are in U. S. bonds and real estate mortgages, mostly in Ohio. As its assets increase, Mr. Steinman said, the proportion of government will decline.

### "Why Be Big?" Celler Asks

Chairman Celler indicated that the committee wanted to get from Mr. Steinman information that a small insurance company is as safe as a large one; that there is "no advantage to the policyholder in buying a policy in Metropolitan, as compared to a small company. Why be big?" he commented, "A company don't have to be big to be safe. It doesn't have to be big to save money to the policyholder."

In opening the afternoon session Monday Celler said:

"There is a popular misconception that we don't need any further legislation; that what is needed is more enforcement of the anti-trust laws, and that the administration was not necessarily sincere in enforcing them."

"In my personal opinion, emphasis on the principles of the anti-trust laws can not be achieved because of the in-

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Fort Wayne 1, Indiana

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adequacy of the laws themselves. Times have changed and the old anti-trust laws must be made current with modern realities. There are loopholes and inadequacies, and enforcement of present laws alone is not sufficient."

## JAMES A. FULTON

James A. Fulton, president of Home Life of New York, declared that maintenance of unfettered competition is of the greatest possible importance in the operation of the life insurance business and the welfare of policyholders. He believes that any attempt to break up or regionalize any life companies or limit their size is completely unnecessary and would be highly detrimental to the welfare of the American people.



J. A. Fulton

Mr. Fulton emphasized that there is nothing even approaching a monopoly in life insurance, but there is actually the keenest competition. There are no

monopolistic practices, trends or tendencies in the business of life insurance, he said, nor is there any type of price fixing or any indication that large companies set a price pattern by their leadership.

### Big Companies Not Greedy

There is no tendency for a few large companies to eliminate smaller companies either by merger or other means and to dominate the field, he said. On the contrary, the smaller companies have steadily increased both in number and in relative importance.

Big life insurance companies, said Mr. Fulton, are big because they have rendered many services to many people and rendered them well.

Life insurance is in many of its phases a national business and must be transacted by national institutions, he said. For example, a group life policy may cover a concern's employees in every state. Any attempt to regionalize the large life companies would be a crippling blow at the group insurance development which has brought such tremendous benefits to the American workman.

The fact that life companies are national in their scope enables them to channel investment funds from areas in which there is a surplus to sections

where they are more urgently needed. As an example he cited Home Life's investing of several million dollars to finance the building of homes and business properties in Houston, Dallas, Fort Worth and other Texas cities.

Mr. Fulton said the large companies, because of their size, have been able to blaze trails which the medium size and smaller companies later follow. He said Home Life would not have dared enter the group field if it were not for the pioneering of large companies.

As one having been in the sales end of the business, he opined that any attempt to penalize success by limiting the growth or size of companies would be a demoralizing influence on the agency forces. It would impair their usefulness and the usefulness of their companies to the people.

Saying that the life insurance business is effectively supervised and regulated by the states, Mr. Fulton conceded that state supervision is not perfect but it has steadily increased in effectiveness. It has evolved methods of handling national problems by a concert of action while leaving local problems to officials who are familiar with local conditions. "We have, as in any dynamic business, many unsolved problems," he said. "In co-operation with state supervisory authority we are vigorously attacking those problems as we have attacked and solved other problems in the past.

### Can't Understand Concern

"Why anyone should be concerned about the success of this great co-operative self help enterprise is hard for me to understand," Mr. Fulton declared. "I regard the life insurance situation as one of the most reassuring factors in a national picture that has much in it to cause apprehension. I do not believe that the 78 million people who own life insurance policies and who constitute the great majority of the American people want their government to hamstring the usefulness of their companies or erect any road blocks to hamper their progress."

As to apprehension expressed about the concentration of power in New York, it is of diminishing concentration, he said, adding, "I am concerned as an American about the concentration of power in Washington. That is a steadily and rapidly growing concentration. Big government also presents its problems and dangers. Life insurance is functioning soundly and in the public interest under the supervision of the states. I respectfully submit that it will be the part of wisdom for Washington to concentrate on some of its myriad of undigested problems and leave life insurance to work out its problems and make its contribution to American welfare within the framework of state supervision."

## L. D. MEREDITH

Federal fiscal policies "which have brought about the lowest money rates in history" received

major blame for the rise in cost of life insurance in recent years, according to testimony filed with the subcommittee by L. Douglas Meredith, executive vice-president and chairman of the committee on finance of the National Life of Vermont.

Mr. Meredith charged that these policies "have imposed a severely burdensome hidden tax on the thrift and prudence of the American people."

As an example of the price inflation of the last decade, he said a policyholder who in 1935 carried \$40,000 of life insurance today "would be obliged to carry \$76,000 in order to give his family the same purchasing power if his death occurred at this time, exclusive of the

consideration of substantially increased taxes."

Pointing to the economic sacrifices made by many persons to provide life insurance protection for their families, Mr. Meredith said this fact not only places a definite responsibility upon company officials to maintain the integrity of the company but "by the same token, an equal if not greater responsibility is placed upon the government to maintain inviolate the integrity of the dollar."

### Cites Investment Competition

Competition also "reigns supreme" in the field of investment as well as sales, Mr. Meredith said, adding that the investment competition exists not only between other life insurance companies, but also between all other types of lending institutions "and even the United States government."

In support of direct financing of business by life insurance companies, Mr. Meredith said a bond issue purchased directly by a life company must conform to the statutes governing its investments just as fully as any public offering it may wish to consider; burdensome and expensive requirements of registration with the SEC have made it very attractive for corporations to deal directly with life companies; a corporation through a direct loan can fit the issue more readily to its requirements; flexibility of direct financing is important; direct financing has become a very important method of the financing of small business; as to the argument that private sales freeze out the public, even if issues were publicly underwritten the insurance companies still could place orders for large portions of the issues or buy them up in the open market after issue; low interest rates and high taxes have all but driven the individual buyer out of the bond market, so the corporate bond market has become almost entirely an institutional affair in which it makes little or no difference whether issues are privately placed or publicly underwritten.

### Lists Factors in Growth

Mr. Meredith attributed the growth of life companies in the last 50 years to increase in the population and national income, price inflation of the last decade, and record of survival of life companies during the 1933 depression.

He said "high income taxes have impaired the ability of people with large incomes to commit their savings to enterprises involving any large risk of loss and they, consequently, direct their funds to life insurance purchases where the risk of loss is reduced to a minimum."

"One becomes easily misled," Mr. Meredith asserted, "if he considers that the growth of the assets of life insurance companies has resulted solely from new sales. Of equal importance to insurance sales is the required increase in reserves as policies become older, thus requiring a corresponding increase in assets." He also cited the growth of funds held under settlement agreements.

## TUESDAY TESTIMONY

Testimony of life insurance executives before the Celler subcommittee continued Tuesday with William Montgomery, president Acacia Mutual; C. G. Coley, vice-president Durham Life, and James A. Fulton, president Home Life of New York, testifying.

It was announced that Douglas Meredith, executive vice-president National Life of Vermont, would not testify, having filed a statement.

Mr. Montgomery said his doctor would allow him to testify for half an hour, but at the end of that time he took a pill and said he was willing to continue.

Mr. Montgomery favored small mutuals, citing numerous small fire companies in local communities. In response to a committee question, he said there is no need for compulsory insurance. Under the competitive system, he said, while Acacia had fared well, it would not fare so well if only started now,



"Hello, Bankers Life? I've changed my mind about getting a new car so I won't let those policies lapse after all!"

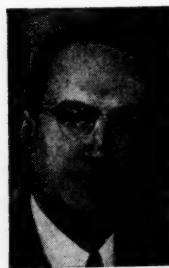
## Bankerslifemen Sell Thoroughly and Have Allies to Hold the Sales

Yes, Bankerslifemen see to it that both "mamma and papa" understand fully the benefits of the protection they have purchased . . . so mamma often becomes a potent ally in keeping the business sold even if papa gets funny ideas.

From their earliest days in their agency offices, Bankerslifemen are told and shown how to do real need selling. Business sold on this basis is soundly sold and apt to stay on the books. As they continue in the business, Bankerslifemen are carefully trained and supervised on a continuing basis to see that their particularly advantageous contracts are matched to the needs of the buyers.

This quality of thoroughness is just one of many which makes the typical Bankerslifeman the kind of life underwriter whom you like to know as a friend, fellow worker, or competitor.

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L. D. Meredith



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sacrifices  
provide life  
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although it invests \$200 million safely now.

Replying to Celler, he said if the present ratio of increased concentration of assets in big companies continues, then a few companies will every year have control of investment assets, but he did not know "where little fellows like ourselves are going to come in on investments. He agreed with Celler that when a corporation's loan is taken by a big company and its bonds mature it will "go back to papa." For which there are many reasons, including "personality."

As assets of big companies increase, Mr. Montgomery said new companies and those not so new would have a hard time getting an opportunity for a large bond issue.

"If the investment circle narrows more and more, then small companies are more at a disadvantage," suggested Celler.

#### Hard to Get Big Issues

"As far as we are concerned," said Mr. Montgomery, "we have tried to lend largely upon homes. If we had to depend upon getting our share of large issues we would have difficulty."

He said 57% of Acacia's assets are in mortgages, 27% in government bonds, 4.2% in other bonds, acquired by purchase. He said people wanting to place

a large loan would go to a large company "where they could get quicker action."

He admitted in response to a question by Rep. Wilson that small life companies have grown larger in proportion than the big companies during a period of time, "only naturally because of percentage."

David Coyle, committee consultant, suggested that Acacia has a better return on investments than other life companies.

#### AGAINST PARTITION

Asked by Rep. Keating, New York, what legislation would improve the present situation, Mr. Montgomery said "to divide a company already established would be very difficult," but suggested that if companies should be required to make accounting of dividends promised and to show that the funds of one class of policyholders were not sometimes used for the benefit of another, "People would understand and require more information from the companies." The witness charged that life companies "only return part of the overcharge" in premiums. "I have always felt that when a company makes an outline or presentation or offer of dividends then it should be required to make accounting of them," the witness said.

"Is that not ordinarily required by state regulations?" Keating asked.

"Not so far as I know."

"Do you advocate federal regulation?" "Haven't we got enough regulatory bodies at present?" Mr. Montgomery commented, but continued: "It depends entirely upon the kind of body set up, because now you comply with 48 state regulations."

#### U. S. Regulation Might Be Better

Keating suggested, "If the states would repeal their laws?"

"It would be a time saver," said Montgomery, "and if properly administered it would be better, I think, in the end, than 48 states administering laws."

"If the states retain their regulatory bodies you would not favor superimposing federal control."

"No, sir."

"You don't favor at the present time setting up a federal body?"

"No, sir."

Celler observed that public utilities and communication companies have both state and federal regulation. He questioned Mr. Montgomery about Acacia's directors. Information was promised as to names, residence, affiliations, etc. Mr. Montgomery said he was not familiar with the government's anti-trust suit against investment bankers with whom insurance companies were charged with affiliating.

#### Wants No Size Limit

"You would not want to restrict the size of insurance companies?" suggested Rep. Wilson.

"No," said Mr. Montgomery. He read from a statement by Prudential President C. M. Shanks published in THE NATIONAL UNDERWRITER, to the effect that "the important thing is not size," etc., and commented "that may be true. But where is the little fellow going to come out if all big investments are siphoned into big companies?"

When Wilson remarked about the growth of big government compared to big insurance companies, Mr. Montgomery commented: "If the companies would stick to three points—safety, cost and service—you would find the companies might not grow so fast."

#### Coley Sees No Danger

Citing \$23 billion assets of four large companies, Celler asked Mr. Coley if that "concentration is healthy?"

"It should be healthy if properly managed," said Mr. Coley. "I imagine they are. Otherwise we would be getting more business, and they would get smaller."

He added his company has no difficulty placing funds.

"If the large companies get all these investments, would that be healthy?" asked Celler.

"I don't know they get all. We got some recently."

The witness would not comment upon the government suit against investment bankers.

"Would your company be in position to appraise the value of property against which bonds were issued?" asked Rep. Walter.

"We employed a technical staff recently to make such an appraisal."

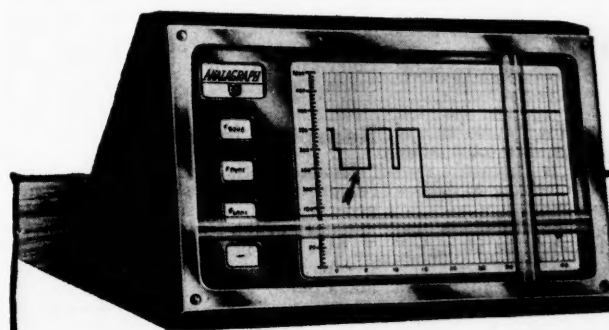
Under questioning by Wilson, Mr. Coley said he believed in "free competition among insurance companies," and stated the big companies had not pushed his company "off the sidewalk."

"Would it be difficult to start a new company?" Celler asked.

"Two hundred thousand dollars capital is required in North Carolina," Mr. Coley replied. "Success would depend upon how the company is managed."

"Would it be easier to start now than when you started?"

"It would take more capital," the witness admitted, and a "lot of pitfalls" would have to be avoided. He said a



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## CENTRAL LIFE

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big company could operate as effectively and economically as a small one.

Responding to Keating's questions about federal regulation, Mr. Coley said: "I don't see why it is necessary. State regulatory bodies are not perfect but are making improvements every year. I think there is need and room for improvement."

Celler commented that in some states the insurance commissioner may also be highway superintendent or hold some other office, and that is "not a healthy situation; insurance supervision is a full time job for anybody."

#### Stock Ratio Satisfactory

Coyle brought out Durham Life has local investments in bond issues. Coley said his company could invest in common stocks up to 10% of assets.

"Should that percentage be increased?" asked Celler.

"I don't think so."

Celler referred to the "dumping" of government bonds by life companies and asked whether it is "humanly possible" for a company receiving \$3 million daily to invest it properly.

"If operated properly and if it has men properly trained, it should be all right," said Mr. Coley.

When Celler said such funds would

have to be loaned "in large chunks" and that Durham "could not get in any of that money," Mr. Coley replied:

"We are having competition from large companies and local companies. I don't think the best interests of the American people or of the insurance business would be served by restricting the size of companies."

Some 40 or 50 companies do business in his area, Mr. Coley said. Durham ranked the third largest in the amount of insurance written last year in his territory. Jefferson Standard wrote the most. Thirty-five companies wrote 65 to 75% of insurance in that territory.

"Prudential and Metropolitan had their agents working there like beavers," Rep. Bryson commented.

Coyle brought out that the Durham directors are local business men. Mr. Coley said his company had bought some South Carolina school district bonds.

#### Reception for Hartley

Massachusetts Mutual was host at a reception at which John R. Hartley, new general agent, was introduced to business men of the Denver area. Alexander T. Maclean, president, and Chester O. Fischer, vice-president, represented the home office.

## 1950 Dividend Actions Are Tabulated

Below is a tabulation compiled from early announcements of dividend actions for 1950. If the guaranteed rate of interest is larger than that shown, the guaranteed rate will be paid. All dividend years begin Jan. 1, except Iowa Life's, which begins Jan. 25.

Name of Company	1950 Dividend Scale	Interest payable on Funds left with Company		
		Non-Withdrawable	Withdrawable	Accum. Dividends
Aetna Life .....	Approx. 8% Inc.	2.75	2.75	2.75
American Home, Kans. ....	Same as 1949	2.5	2.5	2.5
Baltimore Life .....	" " "	2.5	2.5	2.5
Bankers Life, Ia. ....	" " "	2.85	2.85	3
Bankers Mutual .....	" " "	2.5	2.5	3
Boston Mutual .....	" " "	2.5	2.5	3
California-Western .....	" " "	3	3	3
College Life .....	" " "	3	3	3
Columbus Mutual .....	" " "	3	3	3
Confederation .....	" " "	3	3	3
Connecticut Mutual .....	App. 7 1/2% Inc.	3.25	3.25	3
Continental American .....	App. 8 1/2% Inc.	3	3	2.75
Country Life .....	Same as 1949	2.5	2	2.5
Great National .....	" " "	2.5	2.5	3
Great Northwest .....	" " "	3	1.5	3
Great-West .....	" " "	3.25	3.25	3.25
Guarantee Mutual .....	" " "	2.5	2.5	2
Hoosier Farm Bureau .....	" " "	3.15	3.15	3.15
Imperial, Canada .....	" " "	2.5	2	2.5
Independent, Md. ....	" " "	2.5	2	2.5
Iowa Life .....	Same as 1949 (a)	2.5	2.5	2.5
Lafayette Life .....	Same as 1949	2.5 & 3	2.5 & 3	2.5 & 3
Lincoln Mutual .....	Same as 1949	2.5 & 3.5	2.5 & 3.5	2.5 & 3.5
Modern Life .....	Same as 1949	3	3	2.85 (c)
Mutual Benefit .....	" " "	3	3	3.5
Mutual Life, Can. ....	" " "	2.5	2	2.5
Mutual Service .....	" " "	Guaranteed Rate	Guaranteed Rate	3.25
National Guardian .....	" " "	3	3	3
National Life, Vt. ....	" " "	3	3	3
New England Mutual .....	" " "	3	3	3
Northern, Canada .....	" " "	3	3	3
Northwestern Mutual .....	" " "	2.75	2.75	2.75
Ohio National .....	" " "	3	2.5	3
Ohio State .....	" " "	2.5	2.5	2.75
Pacific Mutual .....	" " "	2.5	2.5	3
Pacific National .....	" " "	2.5	2.5	2.5
Fan-American .....	" " "	3	3	3
Penn Mutual .....	" " "	3	3	3
Phoenix Mutual .....	Same as 1949 to June 30	3	3	3.5
Presbyterian Ministers...	Same as 1949	3.5 (d)	3.5 (d)	3
Provident Mutual .....	Increased (e)	3	3	3
Security L. & A. ....	Same as 1949	3.25	3.25	3.25
Shenandoah Life .....	" " "	3	2.5	3.25
Standard, Ind. ....	" " "	Guaranteed rate	Guaranteed rate	3
State Farm .....	(f)	3	3	3
Sunset Life .....	Same as 1949	2.5	2.5	2.5
Union Central .....	" " "	Guaranteed rate	Guaranteed rate	3
Union Labor .....	Increased	3 (g)	3 (g)	3
Union Mutual, Me. ....	Same as 1949	3	3	3
Western Life, Mont. ....	" " "	2.5	2.5	3
Wisconsin Life .....	" " "	2.5	2.5	3

\*3.5% on issues prior to April, 1947. (a) Approx. 12% decrease on plans issued at rates in effect prior to those now in use. (b) 3.5% on issues prior to 1941. (c) Amer. Exp. policies, 3%. (d) Interest income option, 4%. (e) 3% reserve policies greater, in the majority of cases; no change in 3 1/2% reserve policies. (f) Current policies non-participating. Approx. 12% decrease in plans issued at rates in effect prior to those now in use. (g) Except 2 1/2% on funds held in trust arising from policies dated after 1947.

## Successful Selling Requires Good Company Relations

by C. AGNEW SWINEFORD, General Agent

During the quarter of a century that I've been with Reliance Life, I've always enjoyed the most cordial relations with all of the people in the Home Office. Everyone has at all times been ready to assist me in every way possible.

Take the medical department for example. In my opinion, the medical department determines whether I make any money or not. Ours is the most considerate of which I have any knowledge.

My home and future financial security have all come through my Reliance rate book. My years with Reliance have been pleasant and profitable. Maybe I'm prejudiced, but I think that Reliance is the grandest Company in the United States.

Come good times or bad, I'm never at a loss to find people who need Perfect Protection, the Reliance Plan that combines life, accident and health insurance.

With this and all the other modern contracts to sell, plus the cooperation I get from the Company, I'd say I'm in green pastures.



Few life insurance men can match the consistency record of C. A. Swineford, General Agent for Reliance in Richmond, Virginia. He now has twenty-five straight years, 1,300 weeks, in which he has submitted at least one application each week, and won twenty-five of the gold watches awarded by Reliance to those who submit an app-a-week for 52 consecutive weeks.

**RELIANCE LIFE**  
INSURANCE COMPANY OF PITTSBURGH

## \$2.6 Billion Benefits Paid in First Nine Months

American families were paid \$2,586,231,000 by life insurance companies in the first nine months of the year, an increase of \$188,798,000 over payments in the corresponding period of 1948, according to the Institute of Life Insurance.

Of the total, \$1,114,876,000 was in death benefit payments and \$1,471,355,000 was in payments to living policyholders. The latter payments included \$352,276,000 under matured endowments; \$71,320,000 disability payments; \$181,024,000 annuity payments; \$428,534,000 policy cash surrender values paid out; and \$438,201,000 in dividends to policyholders.

The Institute analyzed 75,000 August death claims and found that 62% were on male policyholders. In the case of ordinary insurance only, the death claims on males were 84% of the total.

It also was found that in 63% of all death claims the beneficiaries were

wives, children or estates, with 18% more being other relatives. In the case of ordinary insurance only, 77% of the beneficiaries were wives, children or estates, with 12% more being other relatives.

## Show Federal Size by Chart

Copies of a chart showing the complete organization of federal executive departments and agencies has been sent to all Northwestern National Life agents. The official government chart, which is procurable through the superintendent of documents, shows the number of personnel in each operating unit of a federal executive department or agency as of July 1, 1949, adding up to a grand total of 2,124,120. President R. G. Staggs wrote to the fieldmen, "My own reaction on receiving the chart from a source interested in the work of the citizens committee for reorganization of the executive branch of the government, was that it illustrates in almost startling fashion the great size and complexity of our present day federal government."

## G. A. at Salt Lake

S. B. Christenson, whose appointment as general agent at Salt Lake City for Mutual Benefit Life, effective Dec. 1, was reported in last week's issue, was formerly a member of the general insurance firm of Kelly & Christenson in Salt Lake City.



**EMPIRE LIFE and ACCIDENT INSURANCE COMPANY**  
Legal Reserve Company  
Home Office—Empire Life Bldg.  
Indianapolis 9, Ind.  
41 Years of Satisfactory Service to our Policyholders.  
MILLIONS PAID TO POLICYHOLDERS AND BENEFICIARIES  
JAMES M. DRAKE, President

N. J.

At the Society the Ne staff w Gerhar Pruden now ma America now ac tion, al and W. National assistant Daniel Guardia from 19 society.

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## OBSERVATIONS

### N. J. Dep't Actuarial Alumni

At the recent annual meeting of the Society of Actuaries all the alumni of the New Jersey department actuarial staff were on hand. They are F. Bruce Gerhard, 1926-29, now vice-president of Prudential; Bruce E. Shepherd, 1929-32, now manager of Life Insurance Assn. of America; Alfred N. Guertin, 1932-45, now actuary of American Life Convention, all of whom served as actuaries; and W. Ralph Jones, now president of National Fidelity Life, who was chief assistant actuary from 1931 to 1934, and Daniel J. Lyons, 2nd vice-president of Guardian Life, who was chief assistant from 1934 to 1943. All are fellows of the society.

### Can Anybody Top This?

Publication of an item in the Nov. 4 issue to the effect that George Cowton, Equitable Society, Grand Island, Neb., had completed 30 years in which he wrote an application each week "which he believes is a world's record," has impelled Herman F. Silzer, general agent of Equitable Life of Iowa at Peoria, to point out that Ben Bloch of his agency has an app-a-week record dating back to March 5, 1916, when he joined the company.

Another high-ranking app-a-weeker, Nelson F. Chambers, New York Life, Scarsdale, N. Y., signed up as an agent March 1, 1916, but did not get going on consecutive weekly production until the last week in August, 1916, though he has maintained a C.W.P. record ever since. Mr. Nelson's methods were described in the Nov. 18 issue.

Mr. Silzer comments: "Men with long records of weekly production are justifiably proud of those accomplishments and apparently watch the news items closely when what appears to be the longest record of weekly production is challenged or claimed and they can substantiate their own greater record."

### Life Training Comes in Handy

Life insurance men have the reputation of being among the most skillful salesmen in any of the selling fields and it would be interesting to know, though impossible to gauge, how many men who have become successes outside the life insurance business learned salesmanship in the life business. Recently we talked to a former life insurance agent who is now one of the successful operators of a drive-in-theater. The young man and his associates were without financial resources and had to do a real selling job in their community to start their enterprise. The former life insurance agent was the spearhead of this sales campaign. He admits that it was in insurance he learned the positive sales approach.

He does not regret the year he spent as a life insurance salesman, because his life insurance sales training enabled him to overcome his native reticence and his inhibitions. This training equipped him to walk into the offices of the biggest men in his community, face up to them and get his ideas across in a way he is sure he never would have been able to do otherwise. He has the utmost admiration for successful life insurance agents and for a selling philosophy of the business which has stood him in good stead in other fields.

### Cultivate the Brokerage Crop

An example of the particular care which wise life insurance men are taking to make general insurance brokers feel a part of the business is offered by the Boston agency of John Hancock. Clifford D. Strout, associate general agent, is in charge of the brokerage business. He gathers his brokers together 10 or 12 at a time several times during the week and conducts them on tours of the new home office building. Some 200 brokers from the area have so far been familiarized with the home office operations of the company.

### Grider Replaces Durgin as San Diego General Agent

Ohio National Life has appointed H. H. Grider, Jr., as general agent at San Diego. He succeeds Freeman J. Durgin, who is retiring.

Mr. Grider has had more than 12



H. H. Grider, Jr.



F. J. Durgin

years' experience in life insurance, ranging from agent to general agent.

Mr. Durgin retires after 14 years with Ohio National. His life insurance career covers more than 38 years. He will maintain an active interest in life insurance with Ohio National.

### Rep. Curtis Wants Drastic Changes in Social Security

WASHINGTON—Calling the proposed social security measure the patching up of a hopeless program, Rep. Curtis of Nebraska has offered his own tentative proposal as a means of simplifying social security and making it more equitable.

Rep. Curtis would pay old age benefits to all citizens reaching retirement age, to widows of deceased citizens and to their orphaned children under age 18, with payments within each of the above categories to be uniform, although amounts for different categories could differ; elimination of needs test or work clause, except that other federally supported benefits programs would be offset; federal grants in aid for old age assistance and aid to aid dependent children would cease and all such assistance payments would be state-financed; benefits provided would be financed by addition of a flat percentage rate, especially designated in the federal income tax return, to the normal income tax rate;

benefit amounts would be included as taxable income in the ordinary income tax return.

### Issues New Magazine for Combination Managers

The first issue of a new magazine planned exclusively for combination managers and assistant managers will be published in December by L.I.A.M.A. Titled "District Management," it will feature articles written by outstanding leaders in weekly premium management.

The bimonthly magazine will include articles covering many phases of management, such as the manager and his job, management planning, recruiting and selection, training, supervision, morale and motivation, business management, building persistent business, sales promotion and public relations. William P. Stowe, editor of "Manager's Magazine," will edit the new publication.

### Guardian Names Manager for 3 Long Island Counties

Guardian Life has appointed the newly formed Hosinger & Bode agency as division manager in Queens, Nassau, and Suffolk counties. It is a subsidiary of Hosinger & Bode, one of the leading real estate firms on Long Island for 23 years.

Heading life operations will be Vice-president Stephen S. Heitner, who has more than 15 years' experience in the field as agent and assistant manager in the New York metropolitan area.

The agency will be in the Chatham-Phenix building, Long Island City.

Harry Gardiner, general agent of John Hancock in New York City and treasurer of National Assn. of Life Underwriters, celebrated his 55th anniversary with the company Thursday. He started with the company in a New Jersey district office when he was just under 12 years old.

## Participating and Non-Participating Contracts

GENERAL AGENCY OPPORTUNITIES  
BROKERAGE BUSINESS ACCEPTED

GIRARD LIFE  
INSURANCE COMPANY OF PHILADELPHIA

Opposite Independence Hall

## HIGH-LIGHTS

### ABOUT OSICO OPPORTUNITIES

#### OSICO MEN EARN CLUB BONUSES PAYABLE AT END OF YEAR

Osico underwriters are now pushing to qualify for year-end club bonuses. They will receive up to \$200 in cash.

Convention qualifications, which also end in December, provide an additional incentive for Osico men to have a big year.

- + AN UNUSUALLY COMPLETE LINE OF JUVENILE POLICIES
- + SUBSTANDARD SERVICE
- + DISABILITY INCOME

- + HEALTH AND ACCIDENT IN COMBINATION WITH LIFE
- + MERCHANDISING PLANS THAT "CLICK"
- + LIFE TIME COMPENSATION

THE OHIO STATE LIFE  
Insurance Company  
COLUMBUS 15, OHIO

Write FRANK L. BARNES, 1st V. P. and DIRECTOR of AGENCIES

OSICO MEN ARE.... HITTING THE LINE IN '49

## EDITORIAL COMMENT

### Danger of Defection Among Allies

The temptation for American business men to get themselves off a collective bargaining spot by going for a vastly expanded social security program is very great and the National Assn. of Life Underwriters is to be credited with wise foresight in making its major project for the coming year the persuasion of employers against this easy way out.

President Judd C. Benson of N.A.L.U. touched on this danger in his talk at the American Life Convention meeting in Chicago. The special committee appointed by N.A.L.U. has an extremely important task on its hands for, up to recently, the employers have been counted on to help keep social security within reasonable bounds.

What has made the situation so serious is the report of the fact-finding board in the steel case. By endorsing the employer-pay-all principle, the fact-finding committee has made an expanded social security pension system look relatively much better from a cost standpoint, if the steel recommendations are to be the general pattern in industry.

Obviously, for a given benefit, the employer is going to prefer one for which he pays half the cost as compared with one for which he pays the entire cost, unless he realizes the dangers of further socialization of individual security plans.

The six cents an hour premium allocated by the steel fact-finding board for pensions would produce, taking into account present social security benefits, far less than the \$100 a month that is being talked about. However, under the

proposed social security bill, H.R. 6000, the income purchased by the 6-cent an hour premium would bring the total within shooting distance of \$100 a month.

From the employer's point of view the H.R. 6000 plan has the advantage that it is paid for on a 50-50 basis by employer and employee. But under the present law there is a much wider gap, which, under the steel fact-finders' formula, would have to be paid entirely by the employer.

There are several features of H.R. 6000 which N.A.L.U. does not like, but which will be extremely difficult to fight if employers generally find that they can keep their contributions lower by giving employees the retirement benefits they want through social security rather than through privately underwritten plans. H.R. 6000 would give a much higher maximum pension benefit, more than \$150, as against about \$85 at present; it would provide a lump sum death benefit regardless of whether monthly income was paid, and it would provide total and permanent disability, which would be a dangerous entering wedge for covering all disability, which in turn would involve such high expenses that it would be impossible to charge a sufficient premium.

It is admittedly difficult to get even the most conservative business man to resist a socialization measure when the alternative is a greater out-of-pocket cost, but the missionary effort that N.A.L.U. is launching is one that should be prosecuted with all vigor and dispatch.

### An Artful Job of Special Pleading

VA Administrator Gray's recent report to those who have termed the \$2.8 billion special NSLI dividend a "bonus" or "treasury grab," is all right as far as it goes, but unfortunately it doesn't tell the whole story. However, incomplete as it is, his statement, based on an editorial which he wrote for the Wichita "Beacon" and sent out as a VA news release, does have the effect of keeping the question before the public and increasing the opportunities for the public to get to the truth of this matter.

The statement, which is summarized elsewhere in this issue, says that "nothing could be further from the truth," than utterances to the effect that the dividends are not earned at all, but in

reality just a government hand-out. Mr. Gray points out that NSLI is established by law as mutual insurance, meaning that any excess funds must be shared by the policyholders and returned to them.

Mr. Gray readily concedes that the government pays the entire cost of NSLI administration and of all service-connected deaths and disabilities. But he makes no mention of the fact that a considerable share of the forthcoming dividend is made up of interest on unpaid dividends. Nor does he come out and concede that the reason why some people refer to the dividend as a bonus is that it is made possible only by the fact that NSLI operations are so heavily subsidized, not only by the gov-

ernment but by the unpaid services of life insurance men. Neither does he make any mention of how easy it is to stretch the definition of "service-connected" in such a way as to ease the load on the NSLI fund, and of course, correspondingly increase the load on the taxpayers.

The most unfortunate aspect of Mr. Gray's statement is that, following the line of his statement that "NSLI is established by law as mutual insurance," the statement makes NSLI seem to be much the same as regular mutual life insurance. While Mr. Gray makes no direct comparison, the comparison is nevertheless implicit.

Mr. Gray could very well have issued a statement that would have clarified the entire situation. To do this, however, he would have had to admit that a good share of the dividend is interest on held-back dividends and to have disclosed at least an estimate of the size of the taxpayers' subsidy to NSLI, for while no one will quarrel with the justice of assuming war-caused claims, the assumption of NSLI administration ex-

penses is as much a subsidy or bonus to veterans as any that Congress might vote.

Instead of such a statement, Mr. Gray has circulated an artful piece of special pleading.

While many life insurance men will doubtless be irritated at Mr. Gray's statement, it is probably a good reminder that technically, at least, the dividend is not a bonus or subsidy, but that it is the result of subsidy. To many this will seem to be a distinction without a difference, but as long as the public looks to life insurance men for exact information on insurance matters, it is just as well to point out that subsidy is the source of NSLI dividends rather than the dividend itself being a subsidy.

In connection with clarifying the status of the NSLI dividend, it is gratifying to note the excellent publicity that has been given by daily newspapers to talks aimed at showing up the real status of the NSLI dividend and explaining why such dividends cannot be fairly compared with regular life insurance dividends.

## PERSONALS

**James Lee Loomis**, retired chairman of Connecticut Mutual, has been named a member of the five-man Connecticut commission that is, with a staff of 120 experts, studying the state government in all its phases. The commission was created by the legislature and appointed by Governor Bowles.

**Foster Vineyard** of the **Campbell & Vineyard** general agency of Aetna Life at Little Rock, has been nominated a director of the Little Rock Chamber of Commerce. He goes on the board just as his partner, **Gordon H. Campbell**, is ending the term. Back in 1946, Mr. Campbell went on the board just as Mr. Vineyard was finishing a term and the agency has been represented among the directors for nine years in a row. Mr. Campbell is a past president of the chamber.

**E. A. Roberts**, president of Fidelity Mutual Life, has been elected a director of Bell Telephone Co. of Pennsylvania.

Mr. and Mrs. **Henry Ratterman, Jr.**, of Cincinnati, have announced the engagement of their daughter, **Harriette**, to **James R. Williams**, financial vice-president of Western & Southern Life.

**Alden H. Smith**, Northwestern Mutual, Nashville, has been named chairman of the fund drive of Middle Tennessee Heart Assn. He has previously directed Community Chest and March of Dimes campaigns in Nashville and Davidson county.

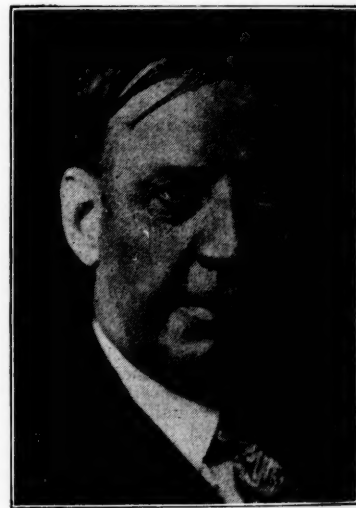
## DEATHS

**Landon A. Dudley**, 94, former district agent for Northwestern Mutual Life and father of **Lee A. Dudley** of the Hubbard-Dudley Agency, former presi-

dent of Michigan Assn. of Insurance Agents, died in a hospital at Battle Creek from injuries suffered in a fall Thanksgiving Day.

### William R. Wills, Former Pres. of Nat'l L&A, Dies

**William R. Wills**, 78, a founder and former president of National Life & Accident, died at a Nashville infirmary from a heart attack. He had been ill



WILLIAM R. WILLS

for several years. Mr. Wills at one time had been with the state insurance department. In 1902 he was elected secretary of National Life at the time when it was organized, becoming president in 1932 and continuing until 1938 when failing health caused his retire-

## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 173 W. Jackson Blvd.,

EDITORIAL DEPARTMENT: Managing Editor: Robert B. Mitchell. News Editor: F. A. Post. Associate Editor: Levering Cartwright. Assistant Editors: Richard J. Thain, John C. Burridge.

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**BOSTON 11, MASS.**—210 Lincoln St. Tel. Liberty 2-1492. Wm. A. Scanlon, Vice-Pres.  
**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Mgr. R. J. O'Brien, Advertising Mgr. R. L. Rudd, Circulation Mgr.  
**CINCINNATI 2, OHIO**—420 E. Fourth St. Tel. Parkway 2140. George C. Roeding, Asso-

ciate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.  
**DALLAS 1, TEXAS**—802 Wilson Bldg., Tel. Prospect 7-1127. Roy H. Lang, Southwestern Manager.  
**DES MOINES 12, IOWA**—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.  
**DETROIT 26, MICH.**—532 Lafayette Bldg. Tel. Woodward 3-2826. A. J. Edwards, Resident Manager.

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**NEW YORK 7, N. Y.**—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap.

**LIFE INSURANCE EDITION**  
PUBLISHED EVERY FRIDAY  
CHICAGO 4, ILL. Telephone Wabash 2-2704.

**PHILADELPHIA 9, PA.**—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.  
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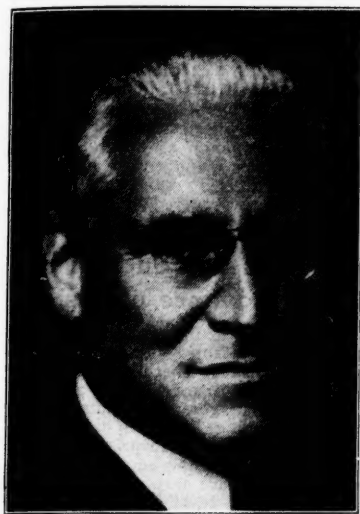


ment. A son, Jesse E. Wills, is now a vice-president of the company.

Mr. Wills was closely associated throughout his career with C. A. Craig, starting when both were deputy commissioners in the Tennessee department and continuing in the organization and operation of National L. & A. He succeeded Mr. Craig as president when the latter became chairman. Prior to that he had been vice-president for nearly 30 years.

### B. H. Walker, Life of Va. Chairman, Dies at 65

Bradford H. Walker, 65, chairman of Life of Virginia, died in Leroy Hospital, New York City, of jaundice and uremia. He was president of the company 1926



BRADFORD H. WALKER

to 1945 and had been with it since he entered business in 1911.

Before going to the home office he was for 15 years in field work, starting as a debit agent. He later served in the investment department. He was a director of the First & Merchants National Bank of Richmond.

Lee McDill, 76, manager for National Life & Accident at Nashville for 40 years died after a month's illness.

George H. Millard, Jr., 48, assistant district manager at Norwich, Conn. for Prudential, died. Mr. Millard had been with the company for 25 years. He was to have been Republican candidate for mayor in the municipal election in Wilimantic on Dec. 5.

Leroy M. Gibbs, Waterbury, Conn., agent of Mutual Benefit Life and first president of the Waterbury Life Underwriters Assn., died there.

Miss Rita Irvin, 35, who operated a life insurance agency at Dallas for four years, was one of those killed in the crash of the American Airlines DC-6 there.

Patrick J. Griffin, 83, retired superintendent of Metropolitan Life, died at Indianapolis. He was superintendent of a Chicago office until his retirement 15 years ago.

Robert R. Taylor, until 1941 district manager for Equitable Society in Greenville, N. C., died. He had had 35 years of life insurance experience. He was a graduate of Duke University.

James I. Russell, 60, general agent at Knoxville for Northwestern National Life, died after a long illness. He joined the company in 1931 as a general agent at Portsmouth, O., and had been general agent at Knoxville since 1935.

Landon A. Dudley, 94, former district agent for Northwestern Mutual Life and father of Lee A. Dudley of the Hubbard Dudley Agency, former president of Michigan Assn. of Insurance Agents, died in a hospital at Battle Creek from injuries suffered in a fall Thanksgiving Day.

### SS First Task of Finance Committee

WASHINGTON, D. C.—Chairman George, of the Senate finance committee says its consideration of social security legislation will be the first thing on the agenda after Congress reconvenes in January. However, no specific date has been set.

### Agnew Leaves Gen'l Amer. for Bank Post

Frank E. Agnew, Jr., vice-president and investment head of General American Life, since 1940, will become a vice-president of Boatmen's National Bank of St. Louis, Jan. 2. He has been a director of the bank since 1945. He has been with General American since its formation in 1933. He is an alumnus of Northwestern University and Knox College. From 1928 to 1932 he was with Continental-Illinois Bank of Chicago and in 1932 joined Morris Plan Corp. in New York City.

### Harrison Becomes Partner In Aetna's Buffalo Agency

John W. deForest, general agent for Aetna Life at Buffalo, since 1932, has formed a partnership with W. Lewis Harrison, assistant general for Aetna Life at Cincinnati. The Buffalo general agency will operate under the firm name of deForest & Harrison, general agents.

Mr. Harrison is a graduate of Ohio Wesleyan and joined the Aetna Life in 1942 as a group representative at Cincinnati. In 1946 he was appointed supervisor for the Cincinnati agency and was promoted to assistant general agent two years later.

### McKillop to Succeed Foltz for Sun Life at Davenport

Oliver McKillop, who has been associate manager at Davenport for Sun Life of Canada, becomes manager Dec. 13, succeeding C. Walter Foltz, who is retiring. Mr. Foltz joined Sun Life in Chicago in 1928 and became manager at Davenport in 1946.

Mr. McKillop joined the company in 1926 at Brandon, Canada, later serving in Detroit and Los Angeles.

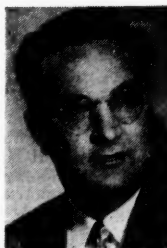
### Meyer Spokane Manager

Standard of Oregon has appointed Fred G. Meyer as manager at Spokane, succeeding Edward L. Curtis, who is retiring as manager because of ill health, but will continue with the Spokane agency. Mr. Meyer, who has been with Mutual Life, was formerly in the life insurance business in Chicago. He is vice-president of the Spokane Life Underwriters Assn.

George W. Klingensmith, general agent of Midland Mutual Life at Pittsburgh was severely injured when a ladder collapsed under him. A splinter from the ladder pierced the calf of his leg.

### Spokane G. A.

Thomas R. Carey, general agent of the new agency of Connecticut Mutual at Spokane, has been a supervisor for the company in the Merrifield Agency at Portland, Ore. In 1948 he was the winner of his company's award for the outstanding organization development job of the year.



Thomas R. Carey

The  
FRIENDLY  
COMPANY  
OF DISTINCTION  
presents



DALE D. STROUP  
General Agent



SAMUEL E. STROUP



ROBERT D. STROUP

## CAREER FAMILIES

Since joining the ranks of The Ohio National several years ago as General Agent, Dale D. Stroup of Holdrege, Nebraska, has been a consistent member of the Company's Honor Clubs and a National Quality Award winner. His sons, Samuel E. Stroup and Robert D. Stroup, are newcomers to the business, but they show great promise as career life underwriters for a company they like.



Given competitive rates and plans, along with the utmost in service and security to his clients, an agent is entitled to expect from his Company ..... a fair and liberal contract which will give him a permanent and vested interest in the business he writes.

This Company believes in and offers these things ..... its exceptional progress is evidence of this belief.

Independence of action is fundamental to the American Agency System.

PHILADELPHIA LIFE  
INSURANCE COMPANY • PHILADELPHIA 7, PA.

Established 1906

WILLIAM ELLIOTT, President

• BERTRAM S. BALCH, Superintendent of Agencies

A

## Cliff McMillen Concept

Life insurance is an investment geared to man's needs; its cash values go up, as life's activity values go down.

Clifford L. McMillen  
347 Madison Avenue  
New York 17, New York

No. 46 of a series—No. 45 appeared last week

# FIDELITY

THE COMPANY BACK OF THE CONTRACT



## CALM CLAIMS

"Biggest" ... "best" ... "smallest" ... "least" ... superlatives and qualifying words may distort the over-all viewpoint ... throwing the composite picture out of focus.

Complete appraisal of any life insurance institution requires the evaluation of many factors. The company's history, objectives, financial position, policy provisions ... these and other basic points must be considered.

An analysis of Fidelity will indicate a well-balanced company.



The  
**FIDELITY MUTUAL  
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE  
PHILADELPHIA • PENNSYLVANIA

## COMPANIES

### Inter-Ocean Capital Now \$500,000

CINCINNATI—Stockholders of Inter-Ocean voted a stock dividend of \$200,000 at a special meeting, thus increasing the capital to \$500,000.

President W. G. Alpaugh said the board recommended this 66% increase in capitalization as a logical move in view of the growth of the company during the past few years. Gross premiums, both A. & H. and life, are estimated to reach \$5 million in 1949 which will represent an increase of approximately \$1 million over last year.

Organized in 1903, Inter-Ocean is an Indiana corporation but has maintained its executive offices here since 1917. In addition to its life and commercial A. & H. departments, the company writes industrial, group, franchise, payroll, special risks, newspaper and railroad business.

### United L. & A. Refuses to Disclose Stock Records

United Life & Accident of Concord has asked Merrimack county superior court to deny a request by Shenandoah Life asking that it be forced to disclose its list of stockholders.

Shenandoah, which owns 4,128 shares of United, has entered into an agreement with Hugh F. Dickson of Atlanta and Frank L. McNeny of Dallas through which it will sell them these shares if they can obtain an additional 8,000 shares, giving them control of United.

United's president, John V. Hanna, told the court that making the company's records available would cause "irreparable harm and injury to the interests of United, its stockholders and policyholders; that production of new business would be seriously threatened; and that control of the company by the outside group would be against the public interest as well as the policyholders and stockholders of the company."

### LLA.M.A. Elects Four Companies to Membership

Four companies have been elected to membership in Life Insurance Agency Management Assn. The companies are Guaranty Union Life, Beverly Hills, Cal.; Midland National Life, Watertown, S. D.; Southwestern Life, Dallas; Standard Life of Jackson, Miss.

### Continental Buys L.A. Bldg.

Continental Assurance has purchased for investment the office building at Los Angeles occupied by Westinghouse Electric Corp. This is the sixth investment in commercial real estate in California by the company.

### F. & T. Purchases H.O. Site

Farmers & Traders Life has purchased a site at the corner of Erie boulevard, east, and Oswego boulevard in Syracuse on which a new home office building will be erected. It is expected that the building will be completed early in 1953.

### Homesteaders Life to Build

Homesteaders Life of Des Moines plans construction of a new home office building. Paul N. Mantz, president, announced the company has purchased the site and construction will start next spring.

Equitable Society has purchased the Cape Fear housing project at Wilmington, N. C., for \$1,527,000.

## MANAGERS

### Mid-West Management Meet at French Lick, Ind.

Vincent B. Coffin, vice-president of Connecticut Mutual, will be the lead-off speaker at the opening session of the annual Mid-West Management Conference, scheduled for April 27-29 at French Lick, Ind. The conference is sponsored by Indianapolis General Agents & Managers Assn.

Second speaker to be announced for the program is Charles Campbell, manager of Prudential at Newark. Scheduled to appear on the program last April, Mr. Campbell was forced to withdraw because of illness. He will talk on "What Makes an Agency Click?"

The conference program will be a departure from past sessions, according to C. R. Jones, general agent for Connecticut Mutual at Indianapolis, conference chairman. One session will be devoted to the business management aspects of an agency as apart from the traditional sales management subjects of recruiting, training and supervising, which will be covered in the second day's session.

### Managers Say Supervisors Should Advance If Possible

When members of a panel facing Life Agency Supervisors Assn. of Los Angeles were asked whether a supervisor should or should not become a general agent or manager, they unanimously favored stepping into the higher position. This was not surprising because the panel was composed of former supervisors who are now general agents. They were Charles P. Hausman, Guardian Life; Stanley J. Neuman, Continental Assurance, and Robert L. Woods, Massachusetts Mutual. Financing and recruiting problems were also discussed.

### Round Table Course in Utah

Utah Life Managers Assn. at its November meeting at Salt Lake City decided to launch a round table series in line with the recommendations of the N.A.L.U. general agents and managers section. A committee will be appointed to supervise the course and secure a moderator.

Commissioner Holmes of Montana and C. Gale Baker of the Gustaves-Baker agency of Pacific National Life, Boise, Ida., who paid for more than \$1 million the first 10 months of this year, were special guests. Mr. Holmes spoke briefly.

Tod Bechtel, educational chairman, reported on proposed activities of his committee. Elmer F. Davy, past president, reviewed some of the features of the Cincinnati convention and what was expected of him as area chairman for the managers section. The Christmas party was tentatively set for Dec. 16.

### Plan Christmas Party

The Christmas party of Chicago Life Supervisors is scheduled for Dec. 8. The supervisors will have as guests their general agents and managers. Charles T. Rothermel, Jr., is chairman of the program committee.

### Pittsburgh Cashiers Elect

Pittsburgh Life Agency Cashiers Assn. elected as president Elmer O'Keefe, Lincoln National. John R. Krause, Aetna Life, is vice-president; May DeWall, Bankers Life of Iowa, secretary, and Ruth Drummond, New England Mutual, treasurer.

### Osler Fort Wayne Speaker

Speaker before the Fort Wayne General Agents & Managers Assn. on Dec. 5 will be R. W. Osler, editor of life publications for Rough Notes Co. He will talk on "Management Trends in the New Decade."



## ACCIDENT AND HEALTH

### Diffenbaugh to Organize Berkshire A. & H. Dept.

Robert P. Diffenbaugh has been appointed to organize and manage the newly created A. & H. department of Berkshire Life.

Mr. Diffenbaugh was recently with Bankers National Life, where he organized an A. & H. department and later was appointed assistant superintendent of agencies.

After attending Washington & Lee University, Mr. Diffenbaugh in 1935 joined Travelers at Philadelphia. In 1941 he became an agent at Philadelphia for Continental Casualty and later was named eastern supervisor.



R. P. Diffenbaugh

### Claim Talk at Milwaukee

Michael H. Keelan, claim manager of Time, addressed the Dec. 1 meeting of A. & H. Underwriters of Milwaukee

on "Building an Agency on Claims."

Gilbert A. Diehl, Business Men's Assurance, discussed plans for the association's annual Christmas party Dec. 17 for the children of the Milwaukee Dependent Home. The group will entertain about 225 children and present them with gifts.

### Columbian National Life Revises A. & H. Policies

Columbian National Life has revised its A. & H. policies and designed a new "selective" accident policy to eliminate five previous separate coverages.

Based on the weekly indemnity benefits, the new policy has six optional benefits, enabling the prospect to elect the coverage best suited to him. There are no tie-ins, and having purchased the basic benefit, the prospect may add others at less cost than if they were purchased separately.

The insuring clause on accident policies has been changed to provide for "accidental bodily injuries," and the waiting period under the preferred risk disability policy has been reduced from 14 to seven days.

All hospital policies provide for a 90-day benefit and up to seven times the daily benefit for miscellaneous expenses. Under the family plan maternity is covered after 10 months up to 10 times the daily benefit. Accident and medical expense benefits have been increased 50% in all policies.

### Kansas City A. & H. Assn. Elects Shapker President

The Kansas City Assn. of A. & H. Underwriters has elected Ned B. Shapker, C. O. Jones agency, president; Pierce Adams, general agent for Continental Casualty, vice-president, and Homer Pogue, Jr., Business Men's Assurance, secretary-treasurer.

Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., president of the International Assn. of A. & H. Underwriters, told how associations in many cities have cooperated with doctors and members of hospital staffs to create a better understanding between agents, companies and the public.

### Francis Sells Naturally

George K. Francis, Jr., general insurance man from Atlantic City, at a luncheon meeting of the Accident & Health Assn. of Philadelphia, told how friendly, low-pressure personal contacts have made prospecting and selling for him natural processes rather than work. By evincing genuine interest in the activity of his prospect he establishes a personal relationship that ripens into a business relationship.

### Seminar at St. Louis

A four-day sales seminar, with an attendance of nearly 200, was held by A. & H. Underwriters Assn. of St. Louis Nov. 28-Dec. 1.

Paul T. Williams, Indiana state agent of World, was lecturer for the course, which is a condensed version of the Purdue course. David A. Truman, Columbian National Life, was chairman for the seminar.

### Brochure of Award Winner

At the request of American Public Relations Assn., Penn Mutual Life has prepared a special brochure of its award-winning centennial program to be used as a handbook in classroom studies in more than 100 colleges and universities. Penn Mutual received the award in recognition of outstanding achievement in public relations with special emphasis on policyholder relations.

The brochure will be the first in the series sponsored and distributed by the Public Relations Foundation of Wash-

ington, D. C. It was prepared and edited by Evelyn Shuler, Penn Mutual's director of public information.

### Publish Disability Studies

The division of research and statistics of the New York department of labor has issued a pamphlet containing four studies in disability insurance which explore in thorough detail state disability insurance systems countrywide, their formation, cost, administration, etc. The four component parts of the pamphlet were released individually previously, before enactment of the New York TDB law.

The book is available for \$1 from the department of labor at 80 Centre street, New York 13. The four reports were prepared mostly by Robert Tilove, assistant director of the division, who recently went with Martin E. Segal & Co., New York welfare plan consultants.

The reports were published to furnish informational background in connection with legislation on disability covers. They were incorporated in booklet form to supply a continuing demand for the series.

The booklet is well supplied with statistical tables. Among the insurance men giving assistance in preparation of the reports were Reinhard Hohaus, actuary, and Herbert J. Stark,

associate actuary of Metropolitan Life; Albert Pike, Jr., actuary of Life Insurance Assn. of America; Stanley W. Gingery, assistant actuary of Prudential; Maurice L. Furnival, assistant actuary of Travelers, and John H. Miller, vice-president and actuary of Monarch Life.

### St. Paul Votes In Finberg

The St. Paul General Agents & Managers Assn. has elected C. Willard Finberg, Great-West Life, as president. Roger Wheeler, Bankers Life, and Paul Bixby, Connecticut General, are vice-presidents. Carleton H. Becker, Metropolitan Life, is secretary-treasurer.

### Moyer at Nashville

Ross E. Moyer, vice-president of John Hancock, was the speaker and guest of honor at a luncheon of Nashville executives at which Starkey Duncan, general agent for John Hancock, was host.

"Personnel Policies and Salary Administration in the Office" has been published by the Dartnell Corp., Chicago. Based on figures of nearly 400 companies, it states that white-collar workers in the last three years have made a substantial advance in financial position, both in relation to rates of pay in the factory and in terms of dollar purchasing power.

Very few  
Life  
Underwriters  
**HAVE**  
**TROUBLES**  
they cannot  
cure  
by  
increasing  
their  
production  
of  
quality  
business.



**LIFE**  
Insurance Company  
of  
**VIRGINIA**

Established 1871  
Richmond, Va.  
Robert E. Henley, President

## The KEY TO SECURITY



A Key to Success  
for  
Equitable of Iowa  
Field Underwriters

Equitable Life of Iowa's field underwriters have enthusiastically endorsed the *Key to Security*, the Company's new and simplified method of life insurance programming. With a professional approach that is easy to understand, the *Key to Security* clearly defines the prospect's life insurance program requirements and graphically portrays the solution to his estate problems.

This new method of programming is consistently demonstrating its effectiveness as an aid to career life underwriting for Equitable of Iowa field men.

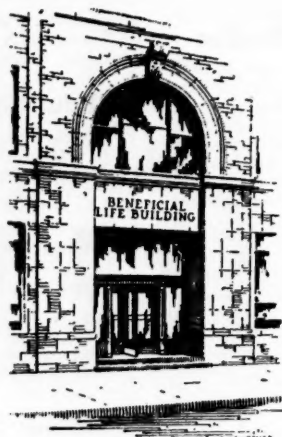
A three months survey indicates:

- Highly satisfactory results from the new *Key to Security* direct mail approach.
- A better than average ratio of sales per interview.
- 547 *Key to Security* sales totaling \$7,113,543.
- An average size policy of more than \$13,000.

Those are four excellent reasons why Equitable of Iowa field underwriters know that the *Key to Security* is their Key to Success.

**EQUITABLE**  
LIFE INSURANCE  
COMPANY  
Founded 1867  
**of IOWA**  
Des Moines  
OVER ONE BILLION LIFE INSURANCE IN FORCE

1905



1949

*The Purpose of Beneficial Life  
Underwriters Is  
To Serve Human Needs*

**BENEFICIAL LIFE**  
INSURANCE COMPANY

George Albert Smith, President

Salt Lake City, Utah

### For Dependable Service—Up-to-Date Facilities

**You  
can't do  
better  
than  
consult**

- All Life, Endowment and Annuity Plans
- Favorable Par and Non-Par rates
- Standard and Sub-Standard risks
- Pension Trusts—with Life Insurance or 100% on Deferred Annuities
- Mortgage Redemption Plans—geared to F.H.A.
- Family Income to Age 65—also regular 10, 15 and 20-year F.I.B.
- Facilities for handling large cases
- Insurance on Selected Diabetics
- Juvenile Insurance on all regular plans (full benefit at age 3) Death and Disability Benefit on parent
- Foreign Travel and Foreign Residence Coverage

**LOW TERM RATES on 1, 5, 10, 15-Year and 5-Year Renewable and Convertible Term Plans**

**THE  
MANUFACTURERS  
INSURANCE LIFE COMPANY**

HEAD OFFICE • TORONTO, CANADA

INSURANCE IN FORCE 1,143 MILLION DOLLARS

(Including Deferred Annuities)

ASSETS 366 MILLION DOLLARS

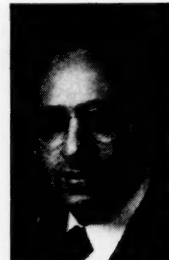
## LIFE AGENCY CHANGES

### Mass. Mutual Fills Posts in Hempstead, Brooklyn

Massachusetts Mutual has opened a new agency at Hempstead, N. Y., and appointed a new general agent at Brook-



T. P. Allen



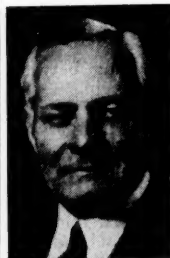
J. S. Karp

lyn. Thomas P. Allen, since 1945 general agent at Brooklyn, has moved to the Hempstead office. He joined the company in Long Island in 1934, became assistant general agent at Brooklyn in 1939, general agent at Dayton, O., in 1941, Brooklyn general agent on his return from the air force. He is a C.L.U.

Jacob S. Karp becomes general agent at Brooklyn. He has been with Equitable Society since 1934. He has been assistant manager at Brooklyn since 1942 except for military service. He is immediate past president of the Brooklyn Life Supervisors Assn. and a member of the executive committee of the Brooklyn Life Underwriters Assn. He is a C.L.U. and holds the certificate in agency management.

### Campbell, Demarest G. A.'s at Manhattan Home Office

Manhattan Life has appointed the recently-organized firm of Campbell & Demarest as home office general agency.



J. A. Campbell



J. M. Demarest

Partners in the agency are John A. Campbell and John M. Demarest.

Mr. Campbell, who previously had headed for 15 years the John A. Campbell agency of Manhattan Life, started in life insurance with New York Life.

Mr. Demarest entered life insurance with Equitable Society at Louisville in 1929. In 1938 he joined the Prosser & Homans agency of Equitable in New York City as brokerage supervisor. He later was with Provident Mutual in the same capacity. Mr. Demarest then joined the Campbell agency as associate general agent.

### Occidental Makes Changes

Occidental Life has made several changes in its field force. Leonard B. Boice has been named assistant manager at Detroit. Mr. Boice joined Occidental in 1938 at Eureka, Cal. After air force service he joined the Detroit office.

J. Bernard Orth is now assistant manager at Grand Rapids. He formerly was with Home Life. Raymond L. Macher has been appointed brokerage manager at the St. Louis branch. He entered life insurance with Prudential in 1946. Lee Umbarger, formerly assistant brokerage manager at Seattle,

is now brokerage manager at Pasadena. Mr. Umbarger joined Occidental in 1946.

### Plante General Agent for John Hancock at Cleveland

Henry G. Wischmeyer of the Wischmeyer & Plante agency of John Hancock at Cleveland has retired after 25 years as general agent. His partner, George H. Plante, has been named sole general agent.

Mr. Wischmeyer has been with John Hancock for 36 years and in life insurance for 52 years. He has served as president of Cleveland Life Underwriters Assn. and as national committeeman.

Mr. Plante, who joined Mr. Wischmeyer in 1939, was made a partner in the agency four years ago.



G. H. Plante

### Provident Mutual Installs Samuels in Memphis Post

Thomas E. Samuels has been appointed general agent for Provident Mutual Life in Memphis. Mr. Samuels graduated from Memphis State College in 1942 and served in the air force. He has been district manager in Memphis for American United Life. He qualified for the Million Dollar Round Table in 1949.



T. E. Samuels

### Sun Names Managers at Memphis, Charleston, W. Va.

George E. Phifer has been appointed manager for Sun Life of Canada at Memphis, effective Dec. 13. He joined Sun Life in 1928 at Newark. He subsequently served in Nashville, Greensboro, Washington, D. C., and Pittsburgh and since 1942 has been branch secretary at Cleveland. He obtained his law degree from George Washington University and previously attended Clemson College.

A branch at Charleston, W. Va., will be opened December 13, with E. W. Wildrick, Jr., as manager. He has been service supervisor at Jacksonville. He joined Sun Life three years ago in Wilmington, Del., and quickly qualified for the Top Producers Club. The Charleston branch will have jurisdiction over territory in West Virginia and Ohio previously handled by the Pittsburgh and Cincinnati offices.

### New Travelers Changes

Several appointments have been made by Travelers. Samuel B. Shoults, assistant manager at Oklahoma City, has been named manager at Little Rock.

Two group supervisors have been appointed. They are Joseph H. Cormier at Hartford and Donald L. Altenburg at San Francisco. Five field assistants

#### AGENCY EXECUTIVE

Proven Agency Head desires a new connection in Cleveland. Inspirational leader. Excellent developer of man-power. All replies confidential. Address W-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.



have been named: Albert E. Colaw at Kansas City, Donald R. Dittmore at Jacksonville, Kenneth F. Wright and Milton C. Chapman at Portland, Me., and Francis Duncanson at Denver.

### Prudential Promotes Four

Edward J. Lee and Stanton C. Seeba have been promoted to assistant managers for Prudential in the Mission district at San Francisco. Mr. Seeba joined Prudential in 1942 and Mr. Lee in 1946.

Karl A. Rick has been promoted supervising appraiser at San Mateo. Mr. Rick joined Prudential in 1938. He is an alumnus of Heald College.

James W. Strickler has been made mortgage loan appraiser at Denver. Mr. Strickler joined the company in 1946. He graduated from Baker University.

## ASSOCIATIONS

### Memphis Assn. Planning Ladies' Insurance Courses

The Memphis Assn. of Life Underwriters is planning a course in the fundamentals of life insurance for women who are policyholders or beneficiaries. Great care will be taken that the course does not smack of selling, but will offer an unbiased explanation of life insurance benefits. The course will be patterned after the one that has been sponsored by Merrill, Lynch, Pierce, Fenner & Beane, in which they explain investment principles and practices to women.

The association is installing insurance libraries at Memphis State College, Southwestern College and the Goodwyn Institute Library in Memphis. The group has obtained 30 new books and contemplates having enough to equip all three libraries soon.

### Name Ind. Club Chairmen

Committee chairmen of the Indiana Leaders Club have been named by President Nathan P. Paulus, John Hancock, Lafayette, Ind. They are Austin Rinne, Northwestern Mutual, Indianapolis, qualifications; Ann Liston, Northwestern Mutual, South Bend, reception; John Lance, broker, Indianapolis, nominations; H. J. Peirce, Massachusetts Mutual, Indianapolis, resolutions, and F. R. Beitman, Prudential, Indianapolis, sergeant-at-arms.

### D. C. Assn. to Hear Boscher

Ralph G. Boscher, manager at Virginia Beach for Jefferson Standard Life, will address the District of Columbia Life Underwriters Assn. luncheon meeting Dec. 8.

Helen A. Pendergast, Mutual Life, and Mrs. Thelma Davenport, New York Life, are new members of the Quarter

Million Round Table for Women. Miss Pendergast has been named chairman of the N.A.L.U. women's committee. President William McCausland was guest speaker at a recent luncheon meeting of the women's section of the association.

W. Elwood Baker has 37 enrollees in his L.U.T.C. class section, while 24 were enrolled in the class taught by Joe Silverman.

### List Three N. Y. Speakers

Henry F. Silver, Einstein-Salinger agency of Mutual Benefit Life; Daniel S. Busch, Simon agency of Massachusetts Mutual, and Harry Phillips, III, Engelsman agency of Penn Mutual, all at New York City, will be speakers at the Dec. 8 educational meeting of New York City Life Underwriters Assn. Lambert Huppeler, general agent of New England Mutual, is program chairman.

### Ind. Caravan Signs Brown

Weekly premium speaker on the Indiana association caravan sales congress will be Conger Brown, director of agencies for Prudential in Indianapolis. The caravan stops in Evansville, Indianapolis, and Fort Wayne on March 30-31-April 1.

### Wis. Leaders Meet Dec. 8

Wisconsin Life Insurance Leaders Round Table will meet at Milwaukee Dec. 8, starting with a luncheon. Harold R. Noer, Wisconsin Life, Madison, will preside as chairman. "The Relation of the Life Underwriter to Estate Planning" will be discussed by L. E. Balza, Green Bay, New York Life, a life member of the Million Dollar Round Table.

Officers and directors of Wisconsin Assn. of Life Underwriters will hold a business meeting at Milwaukee that afternoon. The state association midwinter sales congress will be held there Dec. 9.

### To Hold Forums in Feb.

Chicago Life Underwriters Assn. has scheduled its 1950 Saturday Morning Forums on the four Saturdays in February. The addition of three new agencies brings to 43 the number which maintain 100% membership in the association. They are: Howard E. English, Bankers Life of Nebraska; Warren F. Groce, Provident Mutual, and Raymond J. Wiese, Provident Mutual.

Memphis Quarter Million Dollar Club held its annual dinner-dance. Jack Umstead, president, Charles Brakefield and Charles Moore were in charge of arrangements.

Dayton, O.—Dr. H. H. Maynard of Ohio State University spoke on "A Marketing Man Looks at Life Insurance."

Baltimore—Ernest L. Poyner, assistant vice-president and trust officer of Union Trust Co., spoke on "Taxation Affecting Life Insurance."

Lexington, Ky.—The annual sales congress will be held April 7 with R. L. Marks as general chairman. About 150 are expected to attend. Paul Meyers, Commonwealth Life, Louisville, spoke at the November meeting.

Atlanta—Wendell F. Hanselman, vice-president and superintendent of agencies of Union Central Life, spoke.

North Central Florida—Purposes and benefits derived from membership in the National association were explained by Wilson Sistrunk. District Vice-president R. L. Montague reported that sales congresses will be held in Miami, Orlando and Jacksonville in February.

Athens, Ga.—Richard Bloodworth has resigned as president to instruct the L.U.T.C. course. New president is R. P. Dobbs, who has been secretary-treasurer. Walker Word was named to fill the unexpired term of Mr. Dobbs in the latter post. Richard F. Harris was elected vice-president to succeed H. B. Higginbotham who resigned.

Pittsburgh—Earl R. Wingrove, supervisor for Penn Mutual at Pittsburgh, will address the Fayette county branch at a dinner meeting in Uniontown on Dec. 6. Chauncey E. Brockway, president of the First National Bank of Sharon, will speak on "Placing Equity Capital on the Payroll and Guarantee-

ing Jobs to Employees," before a dinner meeting of the Washington branch on Dec. 7. Victor A. McNally, assistant general agent for Bankers Life of Nebraska at Pittsburgh, will address a luncheon on Dec. 8 of the New Castle branch. Fred N. Kellmeyer, territorial supervisor for Penn Mutual at Pittsburgh, will have as the theme of his speech before a dinner meeting Dec. 14 of the Beaver Valley branch at Beaver Falls, "You Too Can Close."

Lancaster, Pa.—The first "ladies' night" dinner was attended by more than 100. Speakers included State Senator George N. Wade, Harrisburg, general agent of Ohio National; Nevin A. J. Loose, local president, and Lawrence W. Jackson, executive secretary of the state association.

Elmira, N. Y.—Fred C. White, Connecticut Mutual Life, Buffalo, addressed the November meeting.

Rochester, N. Y.—Glenn Drake, industrial personnel trainer and lecturer, spoke at the November meeting.

Syracuse, N. Y.—Joseph H. Reese, home office general agent of Penn Mutual Life, Philadelphia, spoke at the November meeting.

Detroit—Cornelius G. Scheid, New York Life, Cleveland, spoke to a capacity audience.

New York City Life Supervisors Assn. will hold its annual Christmas dinner party Dec. 7.

### Mutual Benefit H. & A. Offers Big Health, Safety Awards

Mutual Benefit H. & A. has announced a \$10,000 award to be made annually to the individual in the U. S., Canada, Alaska or Hawaii who makes the greatest contribution each year to the health and safety of the people in those areas and a \$4,000 college scholarship award in a nation-wide oratorical contest among high school juniors and seniors on: "Live Safely. Live Happily." The high school whose student wins will receive \$1,000.

Winner of the scholarship will be chosen from six regional contests following local and state events. It will be started during the 1950-51 school year.

The \$10,000 prize is to be called the Dr. C. C. Criss Award in honor of the association's founder. Dr. Criss recently retired as president and now is chairman.

### Named Service Life G.A.

Western Plains agency, Lincoln, has been named general agent for central Nebraska for Service Life of Omaha. Western Plains agency is operated by M. E. Schmieding, W. L. Schmieding, and Sam Schwartzkopf.

### ★ Entering Four New States! ★

A wonderful opportunity awaits capable insurance men to develop business in Michigan, Colorado, Oregon and Washington.

## How to start the New Year with a bang



## and end it with a substantial bank account

STARDOM (with large financial return) is within your grasp. In addition to the four new states in which we have recently been admitted (see above) there are numerous agencies still available throughout the states in which we do business.

So the Illinois Bankers Life Assurance Company may well be your vehicle to STARDOM. Here you have opportunity for immediate return. Our insurance package plus our co-operative field selling service and our unique sales aids, spell quick money-in-the-bank income. Even though you may not answer ads, it will pay you to write us about yourself and learn about our intriguing plan and what agencies are still open. BY GIVING QUICK ACTION YOU MAY START 1950 AS A REAL HAPPY NEW YEAR AND LET IT RESULT IN A HAPPY ENDING. All correspondence confidential.

HUGH D. HART, Vice-President and Director of Agencies

## Illinois Bankers Life Assurance Co.

MONMOUTH, ILLINOIS

★ "THE HAPPIEST INSURANCE FAMILY IN AMERICA" ★

### COMPLETE PERSONAL INSURANCE COVERAGE

- LIFE • HEALTH
- ACCIDENT
- HOSPITALIZATION
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- GROUP • FRANCHISE
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REPUBLIC NATIONAL LIFE INSURANCE COMPANY

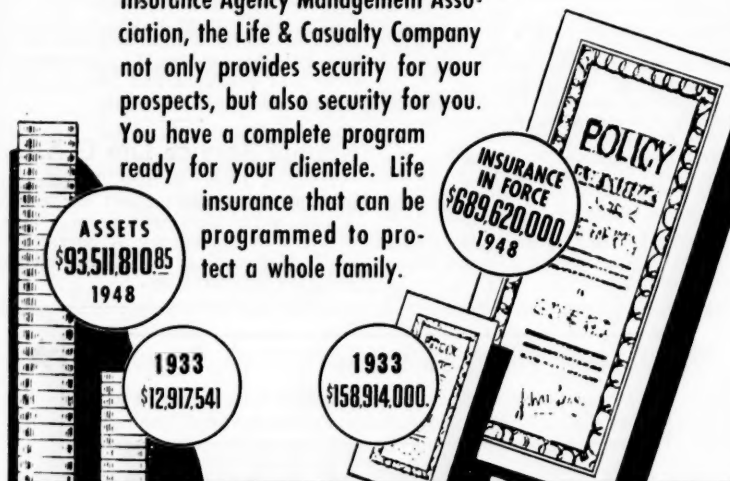
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"It is to laugh"... said Sam Giraffe... inhaling a blossom rare... "I'm far above such sordid things... They're none of my affair"... But for you and me... Down where we see... the uncertain facts of life... There's protection and assurance in B. M. A.'s complete insurance... for Accident, Health and Life.

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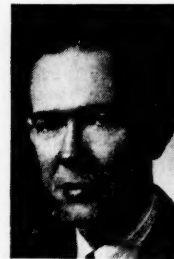
## COMPANY MEN

### Mass. Mutual Ups 4 in Auditing Dep't

Massachusetts Mutual has promoted Charles W. Brierley from auditor to assistant financial secretary; Robert D.



R. D. Gourlie



C. W. Brierley

Gourlie from assistant auditor to auditor; Howard G. Lundberg from assistant manager to manager of the auditing department; and Bion T. Wheeler to assistant manager of the department.

Mr. Brierley joined the company in 1925, was transferred to the planning department in 1937, returned to the



B. T. Wheeler



H. G. Lundberg

auditing department as manager in 1940, and became auditor in 1946. He was the first to become a fellow of the L.O.M.A. Institute. Since 1940 he has served on its examination committee. A graduate of Springfield Business College, he was in accounting work and the restaurant business before joining Massachusetts Mutual.

Mr. Gourlie has been with the company since 1929 except for war service. He is a C.P.A., having received a gold medal for the highest examination grades in the state. He is a graduate of Northeastern University.

Mr. Lundberg started with the company in 1928, became cashier of the Springfield district real estate office in 1938, and returned to the auditing department in 1940. He is a graduate of Bay Path Institute.

Mr. Wheeler joined the auditing department in 1937 after three years in the mortgage loan department. He is an associate of the L.O.M.A. Institute. He is a Dartmouth alumnus.

### Grainger Named to Board

Fred Grainger, vice-president, has been elected to the board of Federal Life & Casualty. Mr. Grainger has been with Federal in an executive capacity since 1923, when he was made superintendent of the claim department. He took an active part in the formation of the company's life department in 1929. He was elected vice-president in 1943.

### Page Central Life Secretary

Central Life of Iowa has elected Carl H. Page secretary to succeed Fred W. Wolfinger, retired.

Mr. Page joined Central Life in 1934. Previously he was with Chicago Title & Trust Co. He graduated from University of Pennsylvania in 1931 and Drake University law school. He served in the army in the last war.

## POLICIES

### Guardian Continues Same Scale in 1950

Guardian Life will continue its 1949 scale of dividends to policyholders for 1950. Interest allowed in 1950 on dividends left to accumulate at interest will be the rate guaranteed by policy provisions but not less than 3%. The amount estimated for distribution as dividends to policyholders in 1950 is \$3,250,000, up 10% over the 1949 amount.

### Issues New Mortgage Plan

United Life & Accident has added a new mortgage protection contract to its present mortgage insurance plan (single premium decreasing term). The new plan is annual premium decreasing term for 10, 15, 20 or 25 years with premiums payable for 8, 12, 16 and 20 years respectively and issued in minimum initial amount of \$3,000.

There is an attained age conversion clause which permits its conversion to permanent insurance without evidence of insurability at any time prior to five years before the termination date. It will be issued with waiver of premiums, but with no other extra benefits.

### Keeps Same Dividend Scale

New York Life will continue for 1950 the same dividend scale used in 1949. The company's board also has approved a new program which provides for refunding the portion of any premium paid beyond the end of the policy month of death where such death occurs in 1950.

### Minn. Mutual Aviation Extra

Minnesota Mutual will now consider applications for policies with family income rider, mortgage protection rider, living expense rider, the mortgage protection, retroactive special and family income policies, as well as the 5, 10 and 15-year convertible term policies with an aviation extra up to \$8.40 per thousand.

The limit of issue on such cases will be an initial amount at risk not to exceed \$15,000 or five units of base policy with family income rider.

## RECORDS

**Home Life, New York**—New paid life insurance for October was 10% ahead of October, 1948. New insurance for the year to date is 5.7% ahead of the comparable period for 1948.

The 10 leading agencies are New York-Oshin, New York-Evans, Chicago, Pittsburgh, Detroit, Minneapolis, Washington, Newark, New Orleans and St. Louis.

Paid business of **Manhattan Life** for the first 10 months was 12% greater than during the same period a year ago. The figure for the first 10 months of 1949 was \$24,621,732.

New insurance paid for in **Bankers Life of Iowa** for October totaled \$10,891,032, of which \$10,026,052 was ordinary. Sales volume for the first 10 months totaled \$119,602,207, with ordinary accounting for \$99,280,525. Insurance in force stood at \$1,431,247,684, an increase of \$54,924,647 for the 10 months. Ordinary in force was \$1,201,966,159, a gain of more than \$44 million.

**Massachusetts Mutual Life** for the first nine months of 1949 had total sales of \$209,969,470 which were 12% ahead of the same period last year. Ordinary sales were \$188,240,278, an increase of 14%. Ordinary insurance in force is \$2,825,560,227, a gain of almost \$100 million. Group business in force amounts to \$80,334,321, an increase of \$20,250,734. Showing an increase of more than \$58 million, assets were \$1,271,994,953. The 2,890 death claims paid in the nine months amounted to \$19,121,308.

### Opens Own Actuarial Office

William C. Brennan, formerly with Coates & Herfurth, consulting actuaries, has opened his own office as a consulting actuary at Los Angeles.



## Boston, Utah Lead in October Gains

Boston showed the greatest increase in ordinary life insurance production during October with a gain of 16%. Detroit was next in line with a 10% gain. Los Angeles led in improvement for the first 10 months with a total 4% ahead of the same period a year ago, according to Life Insurance Agency Management Assn.

Among the states, Utah showed the greatest rate of increase in October with Florida second and Nevada third. Utah sales gained 26%, Florida 20% and Nevada 15%.

For the first 10 months, New Mexico led with an increase of 9%, with Texas in second place, up 7%.

The figures for the leading cities were reported by LIAMA as follows:

	October '49 over '48	10 Month Increase over '48
Boston	16%	1%
Chicago	4	-5
Cleveland	-2	1
Detroit	10	-3
Los Angeles	0	4
New York City	-3	-7
Philadelphia	1	-3
St. Louis	2	0

## Downey Gives Approval of Occidental Capital Boost

LOS ANGELES — Commissioner Downey has issued a permit to Occidental Life to increase its capital from \$3 million to \$12½ million.

The increase is to be made by transferring \$9½ million from unassigned surplus to capital. The permit also authorizes the increase of the number of shares from 10,000, with a par value of \$300 per share, to 1,000,000 shares, with a par value of \$12.50 per share.

In addition, Transamerica Corp., sole owner of all the stock, will invest an additional \$3½ million in Occidental.

## Wash. Nat'l Promotes Hanson

Washington National has promoted A. H. Hanson from group supervisor to assistant agency supervisor in the general agency department. He started with the former National Life of Chicago in 1927 and when that company was brought into Washington National, via Hercules Life, Mr. Hanson continued in the loan department. Later he became an auditor for the industrial offices and did field and agency work, transferring to the group department in 1942. Since 1944 he has been group supervisor for Minnesota.

George G. Perrin, general counsel of Modern Woodmen and president of the National Fraternal Congress, was in Chicago to confer with Foster F. Farrell, N.F.C. secretary-treasurer-manager, on various N.F.C. matters.

## A. & H. MANAGER

A large life company is entering the A. & H. field and needs an executive with proven record to take over their Mid-western operations. Only interested in men in the five figure bracket.

### FERGASON PERSONNEL

330 S. Wells St. Chicago 6, Illinois  
HARRISON 7-9040

## State Regulation Is Criticized by Celler

The assets of legal reserve life companies double every 10 years and will probably be between \$110 million and \$120 million by 1960, Rep. Celler said during a radio interview on the Mutual network's "Meet the Press" program. He referred to life insurance only briefly during the half hour program. He said he was critical of it not on the basis of monopoly but because it was not regulated.

"Some state superintendents of insurance are superintendents of highways as well," he said. "The trouble with state control of insurance," he said, "is that it is usually a fait accompli and control or regulation is applied after a thing has been done." State insurance departments review the actions of companies after they have done what they want to do, he continued, reiterating that federal control of the business is needed.

## British Insurance Body Fights Nationalization

British Insurance Assn. has been conducting some effective advertising in its all-out effort to halt the nationalization of insurance. One of the advertisements is captioned: "The Export Value of British Insurance is £33 million a year." The text goes on to say "£33 million a year is a lot of money, and that is what British insurance brings into this country from overseas. For two reasons these earnings are especially valuable today. First, some £20 million of the total comes in the form of badly needed dollars. Second, it is all clear gain, calling for no imports of raw materials, making no demands on shipping space. £33 million a year is the value of the confidence other countries have in British insurance. We simply cannot afford to forfeit their confidence. Say 'no' to nationalizing insurance."

The insurance business in Britain is forging ahead with its campaign to oppose nationalization. Over 400 anti-nationalization committees of insurance officials have been formed and are now working full pressure to oppose nationalization. Spearhead of the attack is Industrial Life Offices Assn. representing 19 of the leading companies operating in Great Britain.

The first job of the association has been to sound the reaction of its own personnel to nationalization and naturally a considerable number of government supporters are employed by insurance companies as by any other undertaking. Despite this fact employees of the insurance companies have attended mass meetings in their own local areas and have pledged support to maintenance of the present system of control.

Insurance employees are members of 12 trade unions gathered together into National Federation of Insurance Workers. At a mass meeting in the London area a considerable volume of support was given by trade union employees and at a delegate meeting leaders of nine out of the 12 trade unions voted against state control. Two other unions voted neutrality, and one did not vote. In essence therefore no insurance trade union has given its O.K. to state control.

It is believed that the experience in other nationalized industries has discouraged any rabid enthusiasm in the insurance industry. A further development of the policy of anti-nationalization is now in progress. This consists in seeking the support of policyholders. The insurance case is being presented in pamphlets and in press publicity.

## Agency Has Fishing Contest

The W. R. Lyman agency of Equitable Society at San Antonio held a fishing contest, the winners to be guests of the manager at a three-day outing. Twelve agents qualified. G. C. Broxon of Midland, who led in number of applications, was admiral of the fleet. Wives accompanied the qualifiers.

## Capitol Names 2 Managers

Capitol Life has appointed Otis E. Chesterman as manager at Durango, Col., and D. G. Cowser as manager at St. Joseph, Mo.

Mr. Chesterman started in life insurance in the state of Washington in 1945, later going to MacAllen, Tex. Mr. Cowser has been in life insurance work at Albuquerque since 1941, except for army service.

Life Insurance Managers Assn. of

Los Angeles heard Henry Duque, attorney and president of the police commission, talk on "Police, Public Enemies and the Public." A nominating committee was named to report at the December meeting.

## Aetna Life Dividends

Aetna Life has declared an extra dividend of 50 cents payable Jan. 3 to stock of record Dec. 9 along with the regular quarterly dividend of the same amount.

## Now for the \$64,000 Question!



**Q. What is the advantage of multiple lines, Mr. Holmes?**

**A. "Why, Professor, it's just like having three paydays every week. My Accident and Health clients buy life coverage; my Life clients buy Group insurance for their businesses; and my Group business supplies me with fresh leads for more A & H and Life business. Multiple lines—Life, Group, and Accident and Health give me multiple income."**

Mr. Holmes has spent 10 years in life underwriting. When he says, "Multiple Lines offer the greatest earning possibilities," he is speaking from experience. That's why we say: "You're always in business with

**GENERAL AMERICAN LIFE INSURANCE COMPANY**  
WALTER W. HEAD, PRESIDENT  
SAINT LOUIS

## START SWIFTLY IN '50

Another year is practically out. Good time for a personal inventory. Are you satisfied with this year's achievements? Have too many of your efforts been wasted? Possibly 1950 has something better in store for you.

But you must prepare now for a quick start come "Auld Lang Syne."

Write for information from a fast-moving insurance organization—



**The UNION LABOR**  
Life Insurance Company

570 Lexington Avenue, New York 22, NY

## SALES IDEAS OF THE WEEK

### Salesman's First Impression Affects Prospect More Than Any Later Act

The first impression that a man makes as he walks in the door has more to do with selling than any subsequent act, Russell C. Tomlinson, director of sales promotion George H. Gruendel & Associates, declared at the annual series of regional meetings sponsored by Chicago Life Underwriters Assn.

In selling, Mr. Tomlinson said, it is necessary to know why people behave as they do. People live by satisfactions and just as they need physical food so too do they need mental and emotional food, he averred. In order to be able to supply this emotional food, Mr. Tomlinson said, four basic satisfactions must be considered.

"Most important is the ability to get along with both ourselves and other persons," he said. "We must have a sense of importance and must also recognize the importance of others. Secondly, we must feel that we belong and are accepted by a group. In addition to this we must receive a certain amount of affection and realize that others are interested in us. Lastly, there must be achievement. We should be able to say that we have had a successful day, week or month."

#### Blueprint Selling

John A. Calfa, Prudential, discussed the use of a blueprint in selling. He said that he has five blueprints which he considers necessary in every sale.

His first blueprint is the attention-getter. To get attention Mr. Calfa utilizes the literature distributed by his company. "For example," he said, "if a prospect is an inveterate fisherman, I show him pictures of a man standing in a stream pulling out a large fish and I explain that a retirement program such as I propose made this possible."

Mr. Calfa then proceeds to blueprint

two, which is interest. Here he follows up on whatever attracted the client's attention and makes it more appealing to him personally. Next is conviction and Mr. Calfa at this point shows the prospect that the proposed plan is the best suited for his needs.

Mr. Calfa then becomes an "artist and an orator" and creates a desire for the proposed policy. After he is certain this desire exists he proceeds to the last blueprint, the close.

Before asking the prospect to sign an application, Mr. Calfa gets him in a mood to say yes. He doesn't speak of the cost of the policy but refers to the deposit. "At this point in the sale," Mr. Calfa said, "the primary thing is to keep the prospect in an affirmative state of mind."

Other speakers at the meetings were Jack Isaacson, Metropolitan Life, and Harry R. Schultz, Mutual Life, president of the association. Presiding were E. C. Boege, manager Western & Southern Life; Frank Cristiano, manager Monumental Life, and Marion J. Morris, district manager Prudential. The movie, "For Some Must Watch," was shown. From 300 to 400 attended each of the three meetings.

Among life men serving as officers, committeemen and chairmen, and district governors of **Rotary** are S. Kendrick Guernsey, executive vice-president of the Gulf Life; Frank E. Spain, vice-president & general counsel for the Liberty National Life; William C. Schuppel, chairman of the Standard of Oregon; Arthur L. Beck, general agent in Buffalo for the National Life of Vermont; Richard E. Weston of Fitchburg, Monarch Life; Willard B. Bellack, general agent in Appleton, Wis. for Lincoln National.

### Income Percentage Going into Premiums Is Nearly Equal at All Income Levels

American families at practically all income levels average about the same percentage of income going into life insurance premiums, according to the Institute of Life Insurance.

All income groups with incomes of \$2,000 or more showed averages between 3.3% and 3.6%. Only those in the very low income groups showed higher percentages, the basic premiums naturally bulking up to a larger portion of the very small incomes. Those earning \$1,000 to \$1,999 averaged 4% and those earning under \$1,000 averaged 8.7%. The latter group, however, is made up extensively of single persons living in families, but semi-independent, many who have non-cash income sources such as farmers and those provided room and board, retired persons, part-time workers and many of those temporarily unemployed.

#### Average Was 3.6%

The average portion of income before taxes put into life insurance of all types last year per spending unit in the United States was 3.6%. This average, applying only to insured families and covering all types of life insurance, differs from the 2.9% of total national income which legal reserve life insurance premiums represent.

While the average portion of income used for life insurance premiums was 3.6%, there was a sizable percentage of the families which put materially larger portions of their income into the maintenance of life insurance protection. Expressed in proportions of disposable income after taxes, some 6% of those carrying life insurance put 9½% or more of their income into life insurance; 21% used 4½% to 9½%; 12% used 3½% to 4½%; 16% used 2½% to 3½%; 19% used 1½% to 2½%; and 26% used less than 1½% or paid no premiums on their insurance.

Except for the extremely low income groups, this same general range of income use applied to practically all income groups.

The average premium paid by the spending units which paid premiums was \$140. Some 4% of the insured families paid \$500 or more; 12% paid \$200 to \$499; 26% paid \$100 to \$199; the rest paid under \$100 or no premium. There were greater differences in average premium paid by income groups than percentage of income used, as naturally the same percentage applied to varying income groups would show larger premiums as the income increased. Those earning \$7,500 and more, for instance, showed 2% putting 14½% of income or more into life insurance, the same as in the group earning \$3,000 to \$3,999; and yet the higher income group showed 24% with premiums of \$500 or more, while the smaller income group showed only 2% paying premiums of this size.

### Ohio National Appoints Hodges at Paris, Tex.

Ohio National Life has named Harold Hodges general agent at Paris, Tex. Richard H. Arnold is manager of the life department of the Hodges general insurance agency. Mr. Hodges has been in the general insurance business in Paris for 15 years. He was graduated from Southern Methodist.



Harold Hodges

Chicago Life Agency Cashiers will have a Christmas party on Dec. 8. Pauline Jefferies and Albert Schmidt are in charge of arrangements.

### New England Eases Rules

New England Mutual has raised its waiver of premium limits from \$100,000 to \$150,000 for waiver for men 20 to 45, when waiver is issued at standard rates. Waiver and double indemnity will be issued for officers in the military and naval forces, and usually at standard rates. Applications on pilots and others, where the aviation hazard requires a special class rating, will call for 1½ times the standard waiver premium. Double indemnity will be available to military officers up to \$25,000. There are the usual war, aviation and submarine exclusions in the waiver and double indemnity contracts, but the aviation amendment has been materially liberalized.

The limit for single premium life contracts has been raised to \$50,000 and this amount may be purchased at one time. The limit for single premium endowment policies remains at \$25,000, but the \$10,000 limit for any one 12-month period is removed. The limit of 10-payment life is upped from \$50,000 to \$100,000. The limit for five to nine payment life will be \$50,000, an increase of \$25,000.

#### Commissions Raised

The New Englander two, three and five year policies may now be issued on a special class basis with table A or B ratings or with a maximum flat extra premium of \$5. Family income and mortgage riders will be issued with these New Englander contracts.

The company will offer a 10-year certain and continuous option on a joint and full survivor basis and has removed restrictions with respect to certain business insurance transactions to facilitate the prompt application of funds earmarked for life insurance protection.

Agency commissions have been raised in some instances and persistency allowances materially increased.

### Flanagan Made Supervisor

C. Vernon Bowes, general agent at Newark for New England Mutual Life, has appointed Joseph Flanagan supervisor. He has been with the agency nearly three years.

Dunbar Life has named James C. Montgomery special assistant in the agency department. Mr. Montgomery started with the company at Cincinnati in 1947, was appointed assistant manager there in 1948 and named district manager at Columbus, O., a year ago.

**A** LEGAL reserve fraternal life insurance society for all Lutherans on 3% American Experience reserve basis. Thirty-one years old — \$252,984,452.00 in force. Mortality experience 1948 24.44%. Rate of assets, to liabilities—108.56%.



Our representatives' new contract, with retirement program, has been enthusiastically received by our field force. You, too, will be interested.



Address your letter of inquiry to  
**THE SUPERINTENDENT OF AGENCIES**

### LUTHERAN BROTHERHOOD

LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS

Herman L. Ekern, President

608 Second Ave. So., Minneapolis 2, Minnesota

## AID ASSOCIATION FOR LUTHERANS

Now Has Over  
**HALF BILLION DOLLARS  
INSURANCE IN FORCE**

HOME OFFICE: APPLETON, WISCONSIN

## PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1885

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary  
SHARON, PA.



## To Wait a Year for Section 213 Revision

(CONTINUED FROM PAGE 1)

control. Also he said the present inequities which favor a branch office setup over a general agency establishment should be corrected. His final recommendation was that allowances be set up outside the contract controls to permit companies to provide agents with pensions, group insurance and similar benefits without a reduction in their compensation as required by the present law. At present companies can provide these benefits for their home office personnel with no reduction in earnings but they cannot do it for their agents, he said. Mr. McKinney was introduced by Spencer McCarty, executive secretary New York State Assn. of Life Underwriters.

Opposition to any piece-meal revision of or tinkering with the statute on a year-to-year basis was voiced by Mr. Dineen, who concurred in the suggestions that the legislature await the completion of research by the L.I.A.-A.L.C. committee. He said he did not want any unnecessary increases in cost of insurance for the policyholder and added that he thought there would be some increase in cost involved as well as a redistribution of the expense. He praised the efforts of Mr. McKinney to make the law more understandable.

### Admits Inflation Difficulties

He agreed that inflation has caused some inequities in the law and said some changes were probably needed. He raised a sheaf of complaint letters from policyholders who had written the department about reductions in dividends and said he did not want any increase in this "fan mail."

He is always worried about those who say that government can do things cheaper and said that increased expenses would give the advocates of government insurance a talking point, a point of which he wants no part. The life companies have a good sense of public responsibility, he said, and there was no evidence that big companies were trying to gain or wanted any competitive advantage over smaller companies. "We'll always have trouble with any formula," he said. "But we need one which minimizes the problems."

About 100 attended the meeting, one-third of whom were life company officials. The remainder of the hearing concerned fire company underwriting profit, and a revision of section 67 referring to stock ownership, interlocking directors and common management. The meeting was opened by Senator Condon. Paul Bleakley, Yonkers attorney, committee counsel, interrogated the witnesses. Occasional questions were asked by committeemen.

### Question of Interlocking

The discussion of whether section 67 of the New York insurance law, dealing with interlocking directorates, common stock ownership and common management, should be strengthened proved of some interest to life observers. Several of them were on hand at the hearing.

Superintendent Dineen has suggested the possible need of adding stock divestiture and injunctive powers to the section, and has asked the committee to determine whether the attorney general or superintendent should apply the remedies.

The next hearing of the New York state joint legislative committee on insurance rates and regulation will not take place until after Jan. 1. At that time the question of unauthorized insurers will be among the subjects discussed.

The Passaic-Bergen General Agents & District Managers Assn. has elected Wesley B. Adams, district manager at Passaic for John Hancock, as its new president.

## Tells How He Built \$6 Million Agency

CINCINNATI — Two factors are chiefly responsible for his ability to build up his agency from scratch in 1943 to over \$6 million a year, H. J. McLaurin, general agent of Aetna Life, Detroit, told Cincinnati Associated Life General Agents & Managers. They are personal time control, which gives him the opportunity to engage in personal production, and the hiring of a qualified supervisor to run the agency. Mr. McLaurin does the recruiting, but thereafter the agent is in the hands of the supervisor.

The agency consists of 15 men and every one was financed 100%, Mr. McLaurin said. When he established his agency, he determined to use his salary strictly for its development. He has not used a dime for himself. The supervisor was paid out of the salary and given a 10% commission on the business of the men under his supervision. Mr. McLaurin said a commission arrangement works out very satisfactorily because the supervisor makes money only when his men make money and he therefore has a financial interest in their success.

If a general agent is not willing to finance a new man, he shouldn't bring him into the business, he asserted. Recruiting is done when he is selling personal business. Through personal production, the general agent is able to keep in close touch with the public and with the agency. Mr. McLaurin spends about 20% of his time in the interests of the business and his community. This activity pays off in satisfaction.

### Doesn't Believe in Contests

Mr. McLaurin said he does not believe in contests. It is easier to tell a man how to sell \$100,000 than it is to run a football contest, he declared. He also does not believe in holding agency meetings regularly and did not hold them at all until about a year ago. Now, he has a luncheon meeting once a month part of the year. "Don't try to be orthodox, try to be fundamental," he advised.

R. C. Hageman, Equitable Society, said the annual Christmas party would be held Dec. 14. W. J. Mack, Northwestern Mutual, announced that the annual tri-state sales congress was scheduled for Feb. 17, with outstanding speakers engaged. W. A. Spiker, New York Life, discussed plans for an agency management round table. It was in the nature of a homecoming for Mr. McLaurin, as he started in the business as a cashier of Equitable Society at Cincinnati.

### Great-West Advances Two

F. J. Anderson and E. A. Palk have been appointed agency assistants at the home office of Great-West Life. Both joined the Great-West Life agency department in 1947 and both graduated from the L.I.A.M.A. school in 1948.

Mr. Anderson is a graduate of the University of Manitoba; Mr. Palk is a graduate of Manitoba and the Harvard business school.

Richard J. Thoma, Detroit tax attorney, spoke on the marital deduction before the Detroit CLU.

## New Trainer



James E. Laschinger, newly appointed training assistant for Mutual Life of New York, is an L.I.A.M.A. school graduate who has been with Canada Life at Toronto since 1931.

## Fuss Advises Keystone Advertisers to Sell Sales Promotion to Managers

John W. Fuss, sales promotion manager of the Penn Mutual home office agency, told the Keystone group of the Life Advertisers Assn. meeting at Philadelphia that much company sales promotion material fails because the general agent is not sold on its use. He advocated providing each manager with a means of exhibiting sales promotion material, so that the agent can see it and will not forget it.

Lillian Yelland, Provident Mutual, and Robert W. Wildey, Continental American, have been constituted a nominating committee to report at the December meeting.

## Senator Douglas for Deductible Health Cover

Senator Douglas of Illinois, who is advocating a health insurance plan on a deductible basis to cover "catastrophic" illnesses, made an estimate that this would cost about two-thirds less than the all inclusive Truman program. He estimates the cost of the administration plan at about \$5 billion 300 million a year, whereas the Douglas scheme would cost about \$1 billion 760 million. Mr. Douglas said that his plan would be confined to catastrophic illnesses, "those which really crush a family financially and which lay-up the money-maker for a long while." He said he had in mind

a deductible of \$150 to \$200 a year per family, and he declared that the Truman health insurance program "attempts to cover too much ground." He said that his plan is based "on the real principle of insurance—protection against great loss."

## Stimulating Card for Insurance Teachers' Parley

(CONTINUED FROM PAGE 3)

E. Falls, secretary Insurance Institute of America.

The final session the afternoon of Dec. 28 will be a joint meeting with American Finance Assn.

Chairman is Dr. W. A. Berridge, economist of Metropolitan Life, and the topic "Mortgage Financing".

Speakers are Prof. R. J. Saulnier, National Bureau of Economic Research; Dr. L. Douglas Meredith, executive vice-president National Life of Vermont, and Prof. Ernest Fisher, director Institute for Urban Land Use of Housing Studies, Columbia University.

Discussions are Dr. B. M. Beckhart, Chase National Bank; Carl Behrens, Federal Insurance Corp.; Dr. Claude L. Benner, president, Continental American Life; George N. Emory, financial vice-president Home Life; Mrs. Shirley K. Hart, Federal Housing Administration; Dr. James J. O'Leary, Life Insurance Assn. of America; Prof. Richard U. Ratcliff, University of Wisconsin; Donald S. Thompson, vice-president Federal Reserve Bank of Cleveland; Prof. Arthur M. Weimer, Indiana University.



## "A world of feed and not a hoof on the place"

...that's what Tom Rogers said when he returned home from a vacation in the West. Tom, a general agent, corralled the boys and held forth about the West.

"Millions of families," said Tom, "have settled in the western states since the war. They've brought billions of new dollars and invested them in business, agriculture, livestock, mining and other industries."

"New cities and towns with plenty of room for everyone are still growing. Churches, schools, theatres...even symphony orchestras are as good or better than anything we have here. Why—it's a spankin', fresh world and the opportunities are going begging!"

To the Tom Rogers and their families—folks who dream of a clean, healthy, vigorous life away from crowded cities and tired communities—the West fulfills the promise of a NEW way of life.

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Employee Benefit Plans

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**Voluntary Plans Meeting Hospital Needs**

(CONTINUED FROM PAGE 3)

ing enrollments among individuals who cannot join as members of a group.

The chief criticism of commercial insurance plans is inability of persons to convert from group to individual policy when they leave a job; also, individual coverage must be renewed annually and companies reserve the right not to renew on an individual they consider a poor risk. Typically they refuse to renew after a person reaches 60 or 65. Individuals covered under group policies are better off and although they receive only cash indemnities, the amount is now meeting a considerable portion of the total hospital bill. Insurance that fails to pay for a large part of the risk is unsatisfactory, the book states.

**Details Reforms**

Reliance on voluntary insurance should depend on the accomplishment of several reforms, he states: Improvement in the quality of benefits provided under policies issued by private insurers, and, more important, adoption of the convertibility feature of Blue Cross.

An important recommendation made is appointment of a state hospital commission which would seek to improve hospital accounting and reporting in order to secure better statistics as a base for planning and administration. The commission should concern itself with hospital rate determination, among other things. In view of the increasing importance of third parties in the purchase of hospital care, a firmer basis than currently exists must be developed to determine appropriate hospital rates. This recommendation is regarded as important by insurers because one difficulty in determining premiums for hospitalization coverage is the uncertainty of what the hospitalization benefits will be.

**Factors in Rising Costs**

The American Hospital Assn., in its prospectus for a national study of the financing of hospital care, makes the point that philanthropy is drying up so that the patient has to pay a greater proportion of his own hospital costs than previously. In that prospectus, A.H.A. indicates its intention of making a survey on a national basis, where Dr. Ginzberg and his staff made a state study. Another thing that has added to hospitalization cost, beyond the rise in general living costs reflected in such costs, is additional expense imposed by advances in medical science. An example would be an expensive diagnostic machine. This may be used on one patient in 150, but in practice the charge must be spread over all patients. There has also been a greater use of hospitals by doctors because of the existence of advanced machinery, in order to make more certain diagnoses. Again, a lot of hospitals perform teaching functions, for nurses, laboratory technicians, and the like, and considerable expense is attached to this function. Hospitals put up the trainees, etc. Time may come when this cost will be separated and removed from the patient and perhaps the government will bear it.

One of the worries of insurers is that if hospitalization costs keep piling up, and it is necessary to increase the premium to provide the greater benefits, insurance may be priced out of the market. For example, Dr. Ginzberg recommends ambulatory (which is in effect out-patient diagnostic care). This would help because the patient would get care before he actually requires hospitalization. However, this would be an addition to the cost. By making it easy to go to the hospital for diagnosis and be reimbursed under the hospitalization policy, the insurers might be opening the gate to over-utilization which would in turn add further to the cost of the insurance.

The Dr. Ginzberg study mentions the important point that insurance companies should sell increased amounts

for daily room and board. This is undoubtedly true, but under group policies insurers face a major problem in getting employer and employee to pay the additional cost.

On surgical plans, as distinct from hospital plans, the Ginzberg study recommends an increase in the income maximum for medical society plans. When a person is hospitalized, it is almost certain to result in some charges by the physician or surgeon. (In the last few months some state medical society plans providing surgical coverage under schedules have increased the maximum; for example, Michigan has gone from \$2,500 per family to \$5,000 and New Jersey has made the same shift. Pennsylvania has gone to \$4,000.)

The book devotes an entire chapter to the general topic of "insurance." In it some of Dr. Ginzberg's conclusions are amplified. For example, he speaks of the obstacles in the way of getting a very large number of individual memberships in the Blue Cross, one of which is the difficulty of payment. As long as the employer makes an automatic deduction, many persons are willing to subscribe, but when the burden is on them to send in a quarterly, semi-annual or annual payment the problem takes on a different complexion. He regards favorably a proposal which would enable the several Blue Cross plans within the state to pool some of the resources to conduct underwriting experiments, such as raising the age ceilings, and suggests the legislature reconsider the limit placed on areas served by one plan.

All but two of the Blue Cross plans studied failed to provide full coverage for those patients whose stay is considerably above the average—"patients most in need of protection." If the concept of insurance is to protect the indi-

vidual from unusual hazards, this benefit structure does not meet the objective, the book states. One problem here is the chronic disease, which requires further study.

He has a word of praise for the group commercial insurance contracts as compared with individual contracts. Under group the companies do not exercise the same degree of selection, do not enforce exclusion of pre-existing conditions and do not place a limit on age. They do not have the right of unilateral cancellation, and there is a much more reasonable relation between premiums paid and benefits received because costs of selling and administering group contracts are so much less. Perhaps the greatest drawback for the individual is his inability to transfer from one group policy to another or convert to an individual policy on changing a job, domicile, or status. This is particularly serious in the case of older workers who lose their participation rights on retirement.

**Impressive Group Progress**

Recently commercial group insurance has made impressive progress with respect to expansion of benefits. With proper stimulus from buyers, particularly from beneficiaries, a convertibility feature can be incorporated. This may raise the premiums or decrease other benefits, but there is no technical obstacle in the way. Once convertibility is secured, what can be done to raise the quality of the individual policy so as to make convertibility a real asset, and if commercial insurance is to compete with Blue Cross primarily for the preferred groups, particularly the employee, what equitable basis can be developed for providing coverage of the less favorable risks?

One thing the long study clearly does is to reflect the complexity of the problem and demonstrate that there are ways of licking the problem on a local basis but that it is not subject to a neat solution by pulling a rabbit out of a hat.

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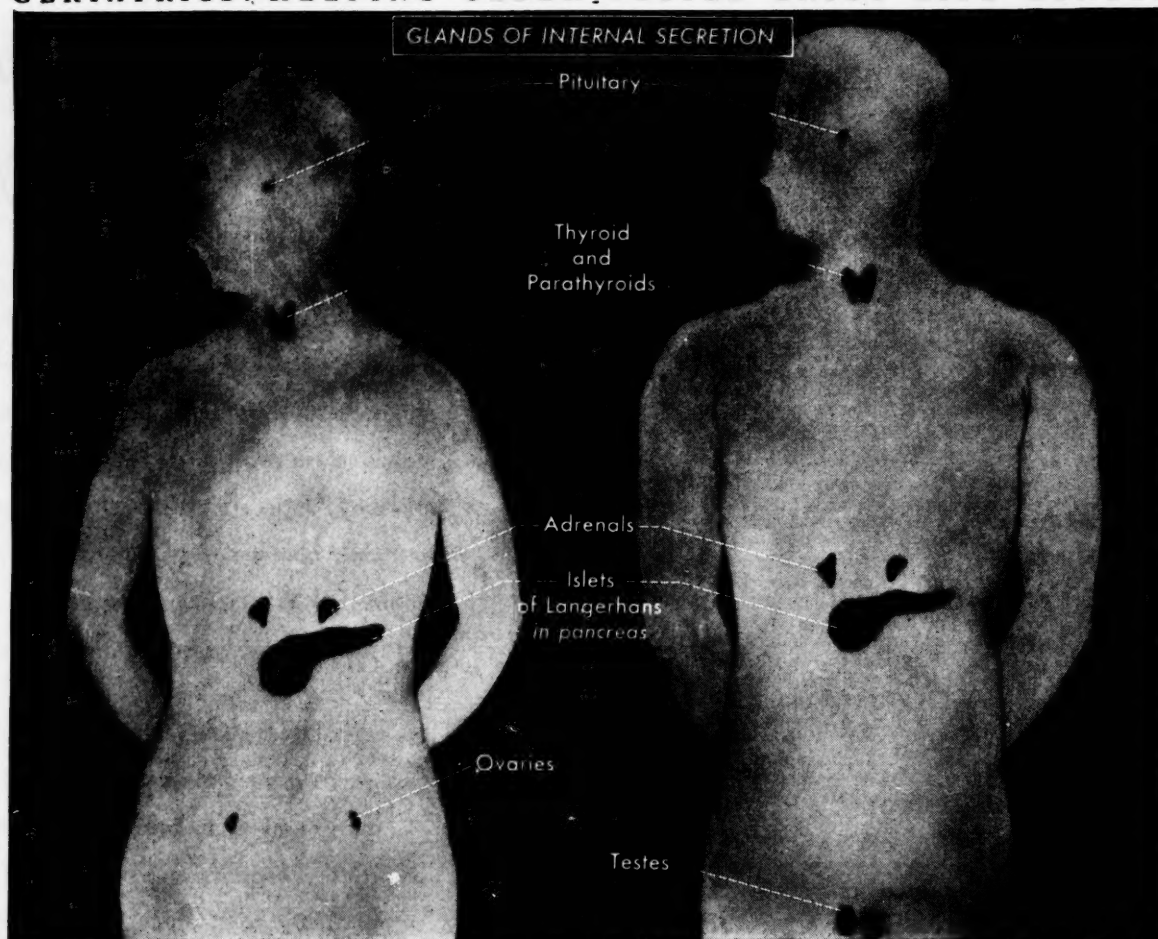
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*Drawing by Jean E. Hirsch*

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